

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462  | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 317311<br>WELL API NUMBER<br>30-025-47457<br>5. Indicate Type of Lease<br>F<br>6. State Oil & Gas Lease No.<br><br>7. Lease Name or Unit Agreement Name<br>TALON 5 8 FEDERAL |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
|---|---|---|--|------------------------------|-----------------------------|-----------------|--|---|--|---------------------------------------|--|--|--|---|---|---|--|-----------|--------------|------|---|------|--------|------|-----|---|------|------|------|---|--|------|---|---|----------|------|------------|------|--------|------|-----|------|------|-----|------|---|--|------|---|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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:<br>O   |   | 8. Well Number<br>001H  |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 2. Name of Operator<br>CAZA OPERATING, LLC  |   | 9. OGRID Number<br>249099   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 3. Address of Operator<br>200 N Loraine St, Suite 1550, Midland, TX 79701   |   | 10. Pool name or Wildcat  |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 4. Well Location<br>Unit Letter <u>2</u> : <u>180</u> feet from the <u>N</u> line and feet <u>1455</u> from the <u>E</u> line<br>Section <u>5</u> Township <u>20S</u> Range <u>35E</u> NMPM _____ County <u>Lea</u>   |   |   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3693 GR  |   |   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____   |   |   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <b>Drilling/Cement</b> <input checked="" type="checkbox"/></td> </tr> </table> |   |   | NOTICE OF INTENTION TO:                    |                              | SUBSEQUENT REPORT OF:       |                 | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/>   | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <b>Drilling/Cement</b> <input checked="" type="checkbox"/> |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| NOTICE OF INTENTION TO:   |   | SUBSEQUENT REPORT OF:   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>  | PLUG AND ABANDON <input type="checkbox"/>   | REMEDIAL WORK <input type="checkbox"/>  | ALTER CASING <input type="checkbox"/>      |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| TEMPORARILY ABANDON <input type="checkbox"/>  | CHANGE OF PLANS <input type="checkbox"/>  | COMMENCE DRILLING OPNS. <input type="checkbox"/>  | PLUG AND ABANDON <input type="checkbox"/>  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| PULL OR ALTER CASING <input type="checkbox"/>   | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>  |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| Other: _____  |   | Other: <b>Drilling/Cement</b> <input checked="" type="checkbox"/>   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>06/16/2021 - Drilled 17.5" hole to 2106'MD. Ran 13.375" J55 54.5# STC casing to 2089'MD. Cement with 1460sx lead 12.8ppg 35/65 POZ Class C + 5% NaCl + 6% Gel + 0.4% CPT-503P and 280sx tail 14.8ppg Class C neat. Circulate 488sx to surface. <b>6/13/2021</b> Spudded well.   |   |   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| <b>Casing and Cement Program</b><br><table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>06/16/21</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>0</td> <td>2089</td> <td>1460</td> <td>1.68</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>06/16/21</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>1789</td> <td>2089</td> <td>280</td> <td>1.33</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> </tbody> </table>  |   |   | Date                                       | String                       | Fluid Type                  | Hole Size       | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                      | Yield  | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 06/16/21     | Surf | FreshWater  | 17.5 | 13.375 | 54.5 | J55 | 0 | 2089 | 1460 | 1.68 | C |  | 1500 | 0 | N | 06/16/21 | Surf | FreshWater | 17.5 | 13.375 | 54.5 | J55 | 1789 | 2089 | 280 | 1.33 | C |  | 1500 | 0 | N |
| Date  | String  | Fluid Type  | Hole Size                                  | Csg Size                     | Weight lb/ft                | Grade           | Est TOC  | Dpth Set                                  | Sacks                                  | Yield                                 | Class  | 1" Dpth                                    | Pres Held  | Pres Drop                                 | Open Hole                                     |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 06/16/21  | Surf  | FreshWater  | 17.5                                       | 13.375                       | 54.5                        | J55             | 0  | 2089                                      | 1460                                   | 1.68                                  | C  |  | 1500   | 0   | N   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| 06/16/21  | Surf  | FreshWater  | 17.5                                       | 13.375                       | 54.5                        | J55             | 1789   | 2089                                      | 280                                    | 1.33                                  | C  |  | 1500   | 0   | N   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .  |   |   |  |                              |                             |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>Engineer</u></td> <td>DATE</td> <td><u>5/19/2022</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Steve Morris</u></td> <td>E-mail address</td> <td><u>steve.morris@morcoreengineering.com</u></td> <td>Telephone No.</td> <td><u>432-201-3031</u></td> </tr> </table>  |   |   | SIGNATURE                                  | <u>Electronically Signed</u> | TITLE                       | <u>Engineer</u> | DATE   | <u>5/19/2022</u>                          | Type or print name                     | <u>Steve Morris</u>                   | E-mail address                               | <u>steve.morris@morcoreengineering.com</u> | Telephone No.                                    | <u>432-201-3031</u>                       |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| SIGNATURE   | <u>Electronically Signed</u>  | TITLE   | <u>Engineer</u>                            | DATE                         | <u>5/19/2022</u>            |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| Type or print name  | <u>Steve Morris</u>   | E-mail address  | <u>steve.morris@morcoreengineering.com</u> | Telephone No.                | <u>432-201-3031</u>         |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Patricia L. Martinez</u></td> <td>TITLE</td> <td>_____</td> <td>DATE</td> <td><u>8/31/2022 9:38:46 AM</u></td> </tr> </table>   |   |   | APPROVED BY:                               | <u>Patricia L. Martinez</u>  | TITLE                       | _____           | DATE   | <u>8/31/2022 9:38:46 AM</u>               |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |
| APPROVED BY:  | <u>Patricia L. Martinez</u>   | TITLE   | _____                                      | DATE                         | <u>8/31/2022 9:38:46 AM</u> |                 |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |      |   |  |      |   |   |          |      |            |      |        |      |     |      |      |     |      |   |  |      |   |   |