

DATE 9/24/13	SUSPENSE	ENGINEER DB	LOGGED IN 09/26/13	TYPE NSL	APP NO. PRG1326930991
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



NSL-6873

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify Refer to R-13723

Coza Operating
 30-025-41313
 West Copperline 29 State
 Well No. #1H

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney
 Title

9/24/13
 Date

jamesbruce@aol.com
 e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 24, 2013

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to NMAC 19.15.15.13, Caza Operating, LLC applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	West Copperline 29 State Well No. 1H
<u>Surface location:</u>	330 feet FNL & 1980 feet FWL
<u>Bottom hole location:</u>	330 feet FSL & 1980 feet FWL
<u>Well unit (project area):</u>	E½W½ of Section 29, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (Bell Lake-Bone Spring Pool). Under Order No. R4539, as amended, the pool is spaced on 160 acres with wells to be located no closer than 660 feet to the outer boundary of a quarter section nor closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

The unorthodox location is requested to maximize the productive interval of the wellbore.

The beginning of the perforated interval will be approximately 691 feet from the surface location (Exhibit B), and thus the location is not unorthodox toward the S½ of Section 20.

The well will be unorthodox toward the N½ of Section 32. A land plat is attached as **Exhibit C**. Kaiser-Francis Oil Co. is the owner of the leases covering N½ of Section 32 (as well operator of the Bell Lake Unit, which includes Section 32). Notice was given as shown on **Exhibit D**.

Please contact me if you need any further information on this application.

Very truly yours,


James Bruce

Attorney for Caza Operating, LLC

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0780

DISTRICT II
811 S. First St., Amarillo, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1005 Rio Grande Road, Alamogordo, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41313	Pool Code 2200 5130	Pool Name BELL LAKE ANTHONY RIDGE-BONE SPRING
Property Code 40064	Property Name WEST COPPERLINE 29 STATE COM	
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Well Number 1H
		Elevation 3540'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	23-S	34-E		330	NORTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	29	23-S	34-E		330	SOUTH	1980	WEST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>EXHIBIT A</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=467259.7 N X=759475.6 E</p> <p>LAT.=32.281822° N LONG.=103.493736° W</p> <p>BOTTOM HOLE LOCATION Y=462641.8 N X=759518.1 E</p> <p>CORNER COORDINATES TABLE</p> <table border="1"> <tr> <td>A</td> <td>Y=467584.2 N, X=758813.0 E</td> </tr> <tr> <td>B</td> <td>Y=467595.0 N, X=760132.9 E</td> </tr> <tr> <td>C</td> <td>Y=462318.3 N, X=760186.0 E</td> </tr> <tr> <td>D</td> <td>Y=462307.4 N, X=758863.8 E</td> </tr> </table>	A	Y=467584.2 N, X=758813.0 E	B	Y=467595.0 N, X=760132.9 E	C	Y=462318.3 N, X=760186.0 E	D	Y=462307.4 N, X=758863.8 E	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and to the best of my knowledge and belief, and his organization either owns a working interest or and mineral interest in the land including the and bottom hole location or has a right to drill this at this location pursuant to a contract with an owner in mineral or working interest, or to a voluntary ing agreement or a compulsory pooling order before entered by the division.</p> <p>Signature: <i>Joe T. Janica</i> Date: 05/15/13</p> <p>Printed Name: Joe T. Janica</p> <p>E-mail Address: joejanica@valornet.com</p>
	A	Y=467584.2 N, X=758813.0 E								
	B	Y=467595.0 N, X=760132.9 E								
	C	Y=462318.3 N, X=760186.0 E								
D	Y=462307.4 N, X=758863.8 E									
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 9, 2013</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p>										
	<p>Certificate Number: 12641</p> <p>Professional Surveyor: GARY G. EIDSON</p> <p>ACR: 13.11.0353</p>									

EXHIBIT "A"

AUG 13 2013 *dm*

LONG's METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION

6000	MD OF INTERPOLATION DEPTH, (feet)
#N/A	TVD COORDINATE OF THE DEPTH (feet)
#N/A	N/S COORDINATE OF DEPTH (feet)
#N/A	E/W COORDINATE OF DEPTH (feet)

3 D DISTANCE BETWEEN STATION A AND STATION B

DISTANCE TABLE

STATION A	STATION B
400.00	600.00
300.00	400.00
100.00	300.00
300.00	ft

Calculator =

TABLE OF SURVEY STATIONS

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+S- ft	E+/-W- ft	DLS deg/100FT
1	TE POINT =>	0	0	10904.00	10904.00	0.00	0.00	-
2	100	8	180	11004.00	11003.68	-6.97	0.00	8.00
3	100	12	180	11104.00	11102.14	-24.33	0.00	4.00
4	100	24	180	11204.00	11197.07	-55.18	0.00	12.00
5	100	36	180	11304.00	11283.51	-105.09	0.00	12.00
6	100	48	180	11404.00	11357.69	-171.88	0.00	12.00
7	100	60	180	11504.00	11416.36	-252.63	0.00	12.00
8	100	72	180	11604.00	11456.96	-343.82	0.00	12.00
9	100	84	180	11704.00	11477.71	-441.45	0.00	12.00
10	50	90	180	11754.00	11480.33	-491.36	0.00	12.00
11	100	90	180	11854.00	11480.33	-591.36	0.00	0.00
12	100	90	180	11954.00	11480.33	-691.36	0.00	0.00
13	100	90	180	12054.00	11480.33	-791.36	0.00	0.00
14	100	90	180	12154.00	11480.33	-891.36	0.00	0.00
15	100	90	180	12254.00	11480.33	-991.36	0.00	0.00
16	100	90	180	12354.00	11480.33	-1091.36	0.00	0.00
17	100	90	180	12454.00	11480.33	-1191.36	0.00	0.00
18	100	90	180	12554.00	11480.33	-1291.36	0.00	0.00
19	100	90	180	12654.00	11480.33	-1391.36	0.00	0.00
20	100	90	180	12754.00	11480.33	-1491.36	0.00	0.00
21	100	90	180	12854.00	11480.33	-1591.36	0.00	0.00
22	100	90	180	12954.00	11480.33	-1691.36	0.00	0.00
23	100	90	180	13054.00	11480.33	-1791.36	0.00	0.00
24	100	90	180	13154.00	11480.33	-1891.36	0.00	0.00
25	100	90	180	13254.00	11480.33	-1991.36	0.00	0.00
26	100	90	180	13354.00	11480.33	-2091.36	0.00	0.00
27	100	90	180	13454.00	11480.33	-2191.36	0.00	0.00
28	100	90	180	13554.00	11480.33	-2291.36	0.00	0.00
29	100	90	180	13654.00	11480.33	-2391.36	0.00	0.00
30	100	90	180	13754.00	11480.33	-2491.36	0.00	0.00
31	100	90	180	13854.00	11480.33	-2591.36	0.00	0.00
32	100	90	180	13954.00	11480.33	-2691.36	0.00	0.00
33	100	90	180	14054.00	11480.33	-2791.36	0.00	0.00
34	100	90	180	14154.00	11480.33	-2891.36	0.00	0.00
35	100	90	180	14254.00	11480.33	-2991.36	0.00	0.00
36	100	90	180	14354.00	11480.33	-3091.36	0.00	0.00
37	100	90	180	14454.00	11480.33	-3191.36	0.00	0.00
38	100	90	180	14554.00	11480.33	-3291.36	0.00	0.00
39	100	90	180	14654.00	11480.33	-3391.36	0.00	0.00
40	100	90	180	14754.00	11480.33	-3491.36	0.00	0.00
41	100	90	180	14854.00	11480.33	-3591.36	0.00	0.00
42	100	90	180	14954.00	11480.33	-3691.36	0.00	0.00
43	100	90	180	15054.00	11480.33	-3791.36	0.00	0.00
44	100	90	180	15154.00	11480.33	-3891.36	0.00	0.00
45	100	90	180	15254.00	11480.33	-3991.36	0.00	0.00
46	100	90	180	15354.00	11480.33	-4091.36	0.00	0.00
47	100	90	180	15454.00	11480.33	-4191.36	0.00	0.00
48	100	90	180	15554.00	11480.33	-4291.36	0.00	0.00
49	100	90	180	15654.00	11480.33	-4391.36	0.00	0.00
50	100	90	180	15754.00	11480.33	-4491.36	0.00	0.00
51	100	90	180	15854.00	11480.33	-4591.36	0.00	0.00
52	28	90	180	15882.00	11480.33	-4619.36	0.00	0.00

HALLIBURTON

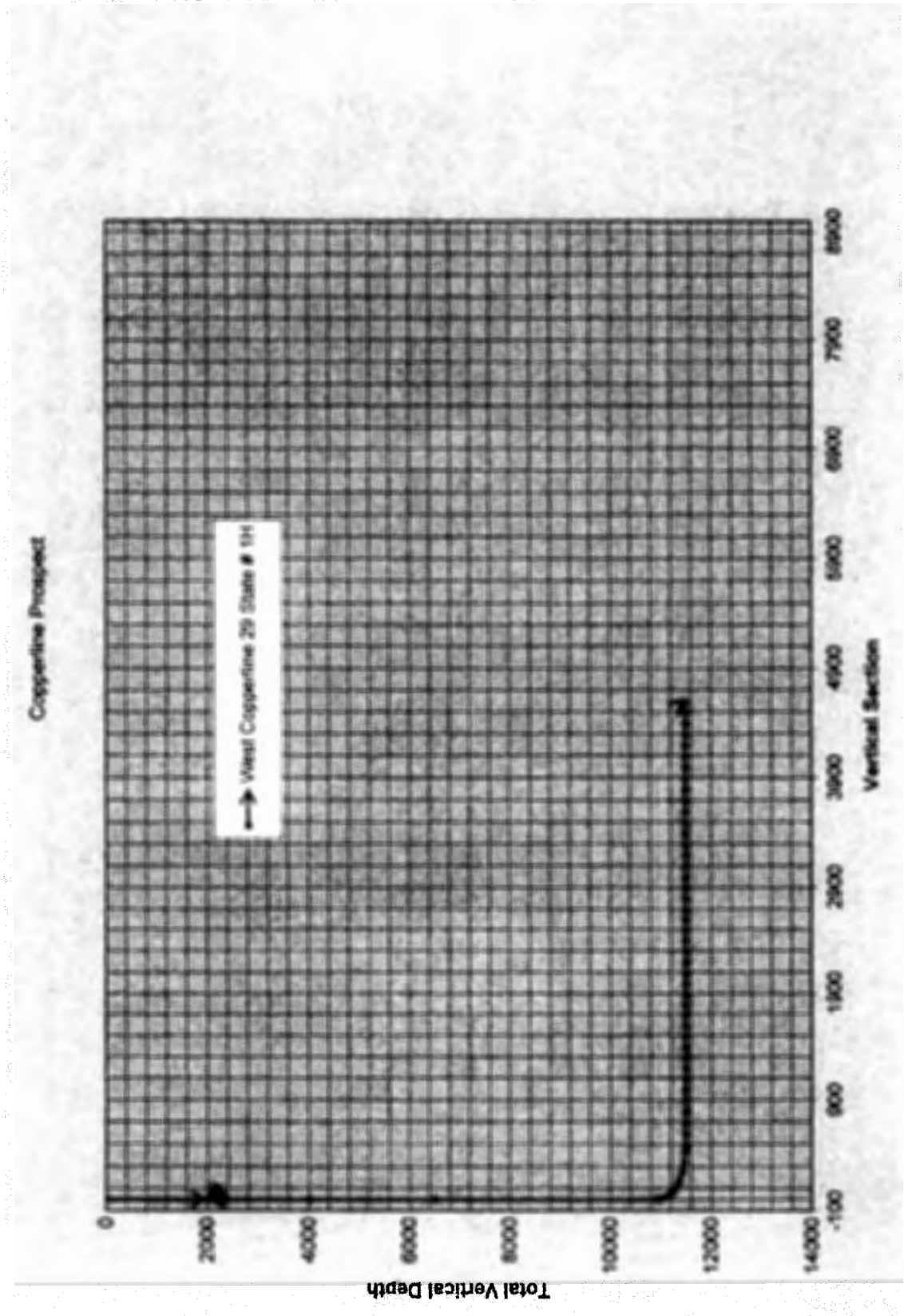
Case Oil & Gas, Inc.
 W. Cooper 20 State 1H
 Lea County, New Mexico
 8-Jul-13

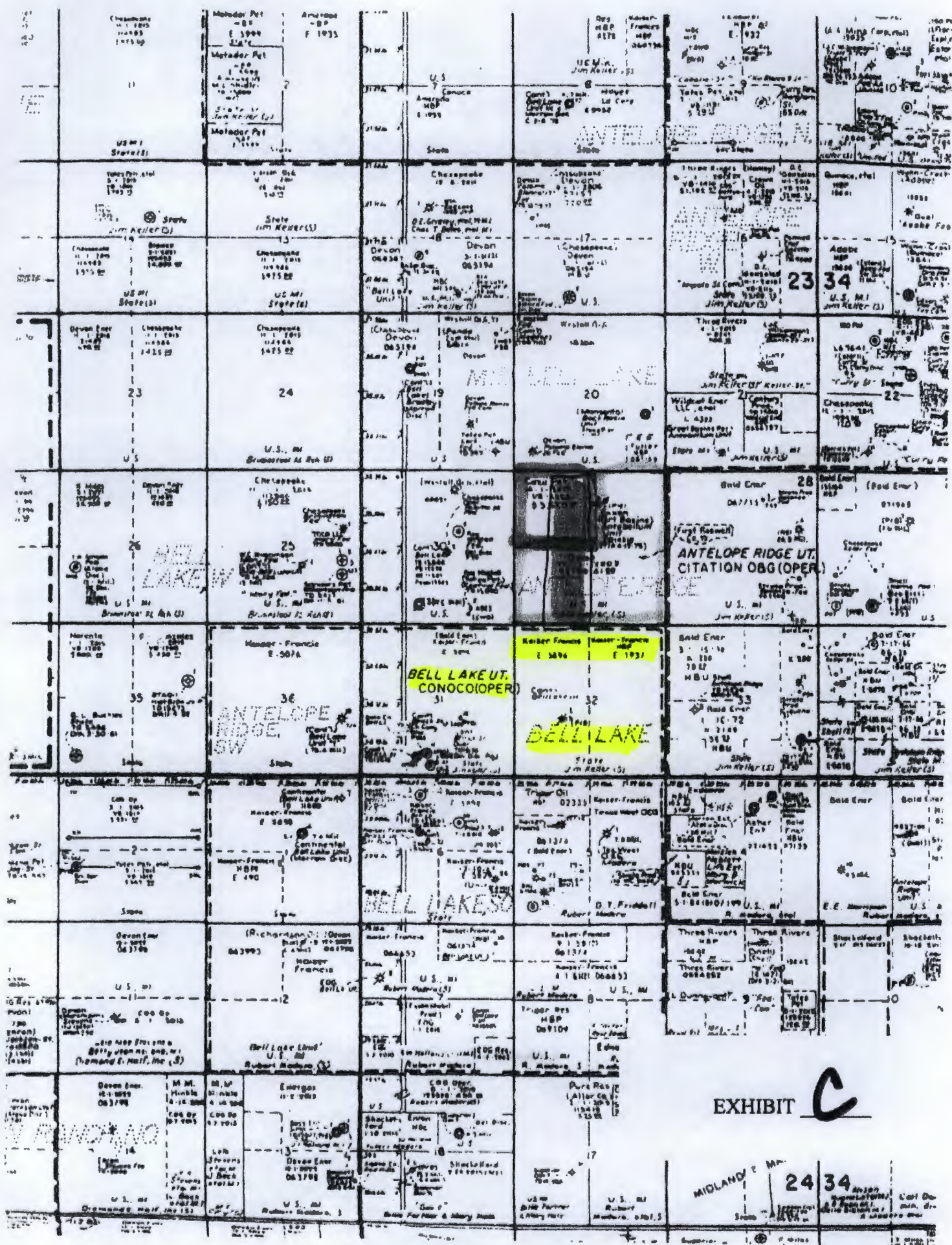
Company Rep.
 Sales Rep.
 Office

Richard Wright
 Lynn Talley
 432-883-4306

Installation		Lee County, New Mexico		Sales Rep.		Lynn Talley		Max Rate		Distance from	
Installation		6-Jul-13		Office		432-882-4356		Thru Baffle		Sleeve-Sleeve	
								(ft)		(ft)	

RSS-MDTD
 168.17





JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 24, 2013

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

Ladies and gentlemen:

Enclosed is a copy of an application for an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by Caza Operating, LLC, regarding a well in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 29, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico. You are required to notify the Division by Monday, October 14, 2013 if you object to the application.

Very truly yours,


James Bruce

Attorney for Caza Operating, LLC

EXHIBIT **D**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
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(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED
SEP 24 2013

September 24, 2013

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

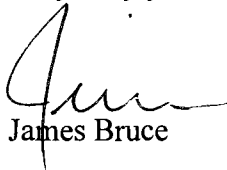
Dear David:

Enclosed is an unorthodox location application. This well was the subject of compulsory pooling in Case No. 15021 (Order No. R-13723). In that hearing (on July 11th), we thought the well was spaced on 40s. However, in August Paul Kautz placed the well in the Bell Lake-Bone Spring Pool, which is spaced on 160 acres.

The above order did create a non-standard 160 acre unit, which I believe is permissible even with 160 acre spacing. In addition, 160 acres vs. 320 acres is irrelevant because ownership in the E/2W/2 of Section 29 is identical to that in the W/2 of Section 29. See Exhibits 1, 2, and 3 -- the NW/4 is one state lease, and the NE/4 and S/2 is one federal lease. Finally, Caza has plans to drill a second well, in the W/2W/2 of Section 29.

Therefore, Caza would like to leave the well with an E/2W/2 of Section 29 well unit.

Very truly yours,



James Bruce

Attorney for Caza Petroleum, Inc. and Caza Operating, LLC

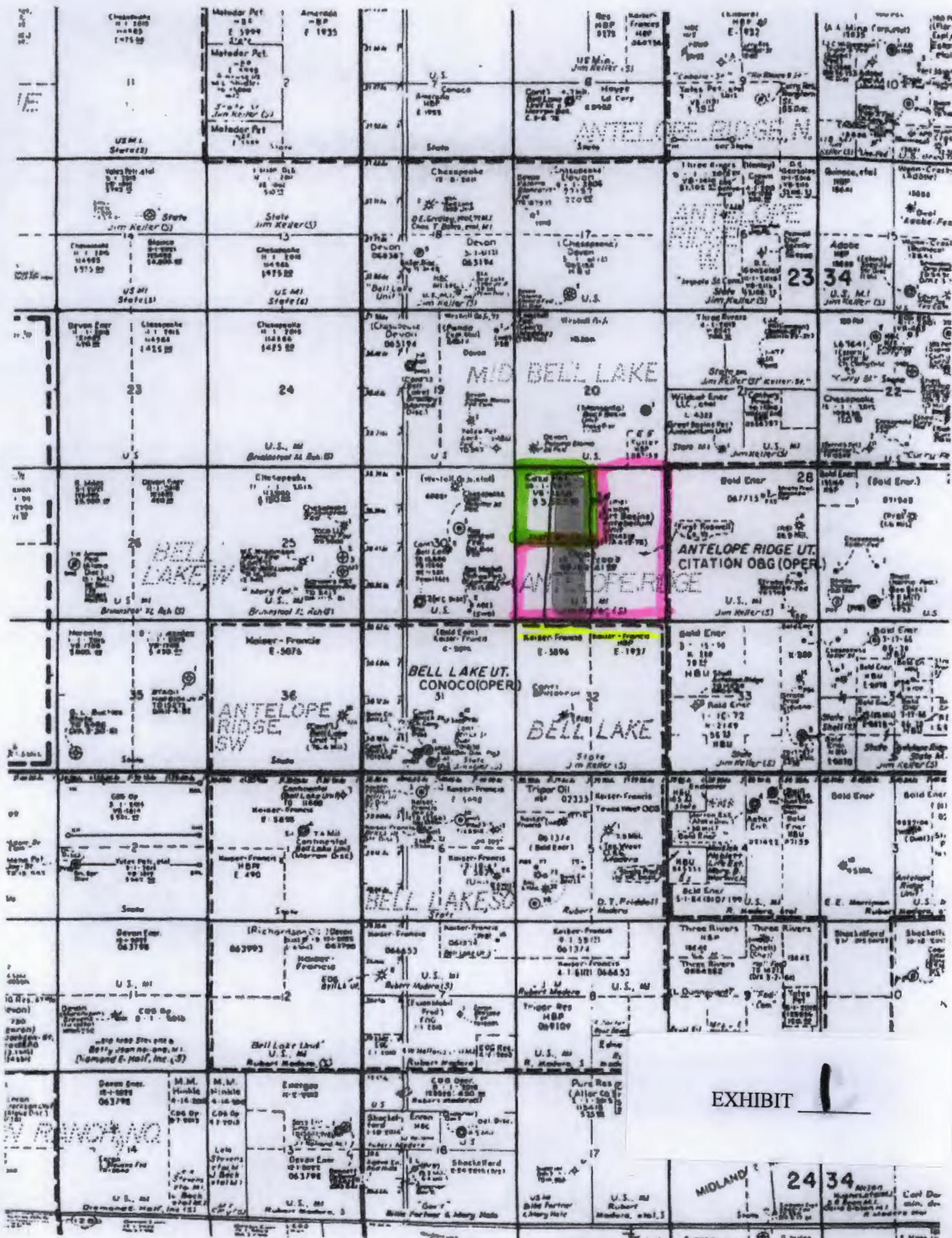


EXHIBIT 1

4 Records found.

Lease Number:

VB-2228-0000

Company name: CAZA PETROLEUM, INC.
Company ID: 251473
Assigned from: N/A
Total acres: 160.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 1/1/2013
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CAZA PETROLEUM, INC.
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 160.00
Last bill date: 1/1/2013
Next bill date: 1/1/2014
Escalation: 0.00

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
29	23S	34E	C			40.00
			D			40.00
			E			40.00
			F			40.00

EXHIBIT 

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:34 AM

Page 1 of 2

Run Date: 09/24/2013

01 12-22-1987;101STAT1330;30USC181 ET SE

**Total Acres
560.000**

**Serial Number
NMNM-- - 092199**

Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

			Serial Number: NMNM-- - 092199		
Name & Address			Int Rel	% Interest	
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	OPERATING RIGHTS	0.0000000	
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.0000000	
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.0000000	
FIRST ROSWELL CO	PO BOX 1797	ROSWELL NM 88202	LESSEE	50.0000000	
LIME ROCK RESOURCES A LP	1111 BAGBY ST #4600	HOUSTON TX 77002	OPERATING RIGHTS	0.0000000	

Serial Number: NMNM-- - 092199						
Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0230S 0340E 004	ALIQ		S2NW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0230S 0340E 029	ALIQ		NE,S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 092199					
Act Date	Code	Action	Action Remark	Pending Office	
10/19/1993	387	CASE ESTABLISHED	9310104		
10/20/1993	191	SALE HELD			
10/20/1993	267	BID RECEIVED	\$22960.00;		
10/20/1993	392	MONIES RECEIVED	\$1120.00;		
11/03/1993	392	MONIES RECEIVED	\$21840.00;		
11/05/1993	237	LEASE ISSUED			
11/15/1993	600	RECORDS NOTED			
11/23/1993	111	RENTAL RECEIVED	\$840.00;21/MULTIPLE		
11/29/1993	963	CASE MICROFILMED	CNUM 570,073 JS		
12/01/1993	496	FUND CODE	05;145003		
12/01/1993	530	RLTY RATE - 12 1/2%			
12/01/1993	868	EFFECTIVE DATE			
10/11/1994	111	RENTAL RECEIVED	\$840.00;21/0000000012		
10/06/1995	084	RENTAL RECEIVED BY ONRR	\$840.00;21/0000000013		
10/02/1996	084	RENTAL RECEIVED BY ONRR	\$840.00;21/0000000016		
10/30/1997	084	RENTAL RECEIVED BY ONRR	\$840.00;21/0000000042		
07/16/1998	140	ASGN FILED	THE BLANCO CO/SF ENE		
07/30/1998	139	ASGN APPROVED	EFF 08/01/98;		
07/30/1998	140	ASGN FILED	BLANCO/FIRST ROSWELL		
08/11/1998	139	ASGN APPROVED	EFF 08/01/98;		
11/05/1998	084	RENTAL RECEIVED BY ONRR	\$1120.00;21/0000000006		
11/12/1998	932	TRF OPER RGTS FILED	1ST ROSWEL/SF ENE RES		
12/16/1998	933	TRF OPER RGTS APPROVED	EFF 12/01/98;		
01/01/1999	246	LEASE COMMITTED TO CA	NMNM103152;		
07/01/1999	940	NAME CHANGE RECOGNIZED	SF ENE RES/SF SNYDER		
10/11/2000	940	NAME CHANGE RECOGNIZED	SANTA FE/DEVON SFS		
11/28/2002	235	EXTENDED	THRU 11/28/2004;		
11/28/2002	522	CA TERMINATED	NMNM103152;		
12/12/2002	817	MERGER RECOGNIZED	DEVONSFS/DEVONENEPD		
05/27/2003	932	TRF OPER RGTS FILED	DEVON ENE/SOUTHWESTER		
06/27/2003	933	TRF OPER RGTS APPROVED	EFF 06/01/03;		
09/01/2003	246	LEASE COMMITTED TO CA	NMNM111812;		

EXHIBIT

3

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:34 AM

Page 2 of 2

Run Date: 09/24/2013

09/19/2003	650	HELD BY PROD - ACTUAL	
09/19/2003	658	MEMO OF 1ST PROD-ACTUAL	/1/
04/20/2004	932	TRF OPER RGTS FILED	DEVON/CHESAPEAKE EXPL
07/20/2004	933	TRF OPER RGTS APPROVED	EFF 05/01/04;
11/18/2004	643	PRODUCTION DETERMINATION	/1/NMNM111812
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP
08/22/2008	817	MERGER RECOGNIZED	CHESA EXP LP/EXP LLC
09/19/2008	932	TRF OPER RGTS FILED	SOUTHWEST/LIME ROCK;1
11/05/2008	933	TRF OPER RGTS APPROVED	EFF 10/01/08;
11/05/2008	974	AUTOMATED RECORD VERIF	MV
10/27/2010	932	TRF OPER RGTS FILED	LIME ROCK/DEVON ENE;1
01/25/2011	933	TRF OPER RGTS APPROVED	EFF 11/01/10;
01/25/2011	974	AUTOMATED RECORD VERIF	RAYO/RAYO
11/27/2012	932	TRF OPER RGTS FILED	CHESAPEAK/CHEVRON U;1
03/11/2013	933	TRF OPER RGTS APPROVED	EFF 12/01/12;
03/11/2013	974	AUTOMATED RECORD VERIF	LBO
09/17/2013	932	TRF OPER RGTS FILED	FIRST ROS/ENDURANCE;1

FLUIDS TEAM

Serial Number: NMNM-- - 092199

Line Nr	Remarks
0002	-
0003	01/25/11 - DEVON BONDED LESSEE COLL04 N/W