

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



April 18, 2018

Applicant: Caza Operating, LLC (OGRID 249099)
Attn: Jay Brown, Land Manager

RE: Change in Spacing Unit
Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220)

Mad River 13 State Com Well No. 3H API No. 30-015-43898
Existing Dedication: **160-Acres S/2 S/2**, Section 13 Township 24 South, Range 27 East, NMPM
Proposed Dedication: **320-Acres S/2**, Section 13 Township 24 South, Range 27 East, effective
February 1, 2017

Mad River 13 State Com Well No. 4H API No. 30-015-44042
Existing Dedication: **160-Acres N/2 S/2**, 13 Township 24 South, Range 27 East, NMPM
Proposed Dedication: **320-Acres S/2**, 13 Township 24 South, Range 27 East effective April 1,
2017

We understand you have provided notice as required in Order R-14262. *"to each owner of an interest owner in the existing spacing unit and in the increase spacing unit whose interests would be affected by the increase (including New Mexico State Land Office and/or Bureau of Land Management).* However, ownership is identical in the existing and proposed spacing unit; therefore, no notice is required.

Please ensure a Sundry notice stating the effective date of this change and a revised form C-102 (s) for all the approved well-completions have been filed with the Artesia District Office, if you have not already done so.

The above described spacing unit is hereby approved as dedicated acreage for the subject well(s).

HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals
Well file: 30-015-43898
Well file: 30-015-44042



April 18, 2018

Oil Conservation Division
Attn: Mr. Michael McMillan
1220 St. Francis Drive
Santa Fe, New Mexico 87505

Re: Caza-Mad River 13 State Com #3H Well
Caza-Mad River 13 State Com #4H Well
Caza-Mad River 13 State Com #6H Well
Section 13, T24S-R27E
Eddy County, New Mexico

Gentlemen:

Prior to the promulgation of the Purple Sage Wolfcamp Field Rules, Caza drilled its Mad River 13 State Com #3H well on a project area consisting of the S/2S/2 of Section 13, T24S-R27E, Eddy County, New Mexico, (160 acres) and its Mad River 13 State Com #4H well on a project area consisting of the N/2S/2 of Section 13 (160 acres). After the Purple Sage Wolfcamp Field Rules were promulgated, Caza drilled its Mad River 13 State Com #6H well on a project area consisting of the S/2 of Section 13 (320 acres). I understand that pursuant to the Purple Sage Rules, an operator, at its option, may amend the units for existing wells on spacing less than 320 acres to the new 320 acre spacing. Caza has made such filings for its 3H and 4H wells so that all three wells are on the same spacing and unit area. As we discussed on the phone recently, all well interests in the S/2S/2, N/2S/2 and S/2 of Section 13 are the same due to the configuration of each of the leases.

Should you need any further information, please do not hesitate to call me at 832-381-3854. Thank you for your cooperation and assistance.

Very truly yours,
CAZA PETROLEUM, LLC

A handwritten signature in black ink, appearing to read "John E. Brown".

John E. Brown, CPL
Land Manager

Xc: Niranjana Khalsa/SLO



April 18, 2018

Oil Conservation Division
Attn: Mr. Michael McMillan
1220 St. Francis Drive
Santa Fe, New Mexico 87505

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Very truly yours,
CAZA PETROLEUM, LLC

A handwritten signature in black ink, appearing to read 'John E. Brown', is written over the printed name.

John E. Brown, CPL
Land Manager

Xc: Niranjana Khalsa/SLO



October 17, 2017

RECEIVED OCD

2017 OCT 19 P 3:12

Mr. Catanach

Caza Operating LLC proposes to have the spacing unit assigned for the Mad River 13 State 4H (30-015-44042) to 320 acres. The spacing unit was grandfathered in as 160 acres. The well is currently drilled and producing from the Purple Sage; Wolfcamp (98220). All parties with an interest in the well have been notified and are in agreement with the proposed change to the spacing unit.

Thanks,

A handwritten signature in black ink that reads 'A.B. Sam'.

A.B. Sam
V.P. Operations



200 N. Loraine Suite 1550
Midland, TX 79701
O: (432) 682-7424 ext.1007
F: (432) 682-7425
tsam@cazapetro.com



October 17, 2017

RECEIVED OGD

2017 OCT 19 P 3:21

Mr. Catanach

Caza Operating LLC proposes to have the spacing unit assigned for the Mad River 13 State 3H (30-015-43898) to 320 acres. The spacing unit was grandfathered in as 160 acres. The well is currently drilled and producing from the Purple Sage; Wolfcamp (98220). All parties with an interest in the well have been notified and are in agreement with the proposed change to the spacing unit.

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A.B. Sam
V.P. Operations



200 N. Loraine Suite 1550
Midland, TX 79701
O: (432) 682-7424 ext.1007
F: (432) 682-7425
tsam@cazapetro.com

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44042	Pool Code 98220	Pool Name Purple Sage; Wolfcamp gas
Property Code 39924	Property Name MAD RIVER 13 STATE	
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	
	Well Number 4H	Elevation 3090'

Surface Location

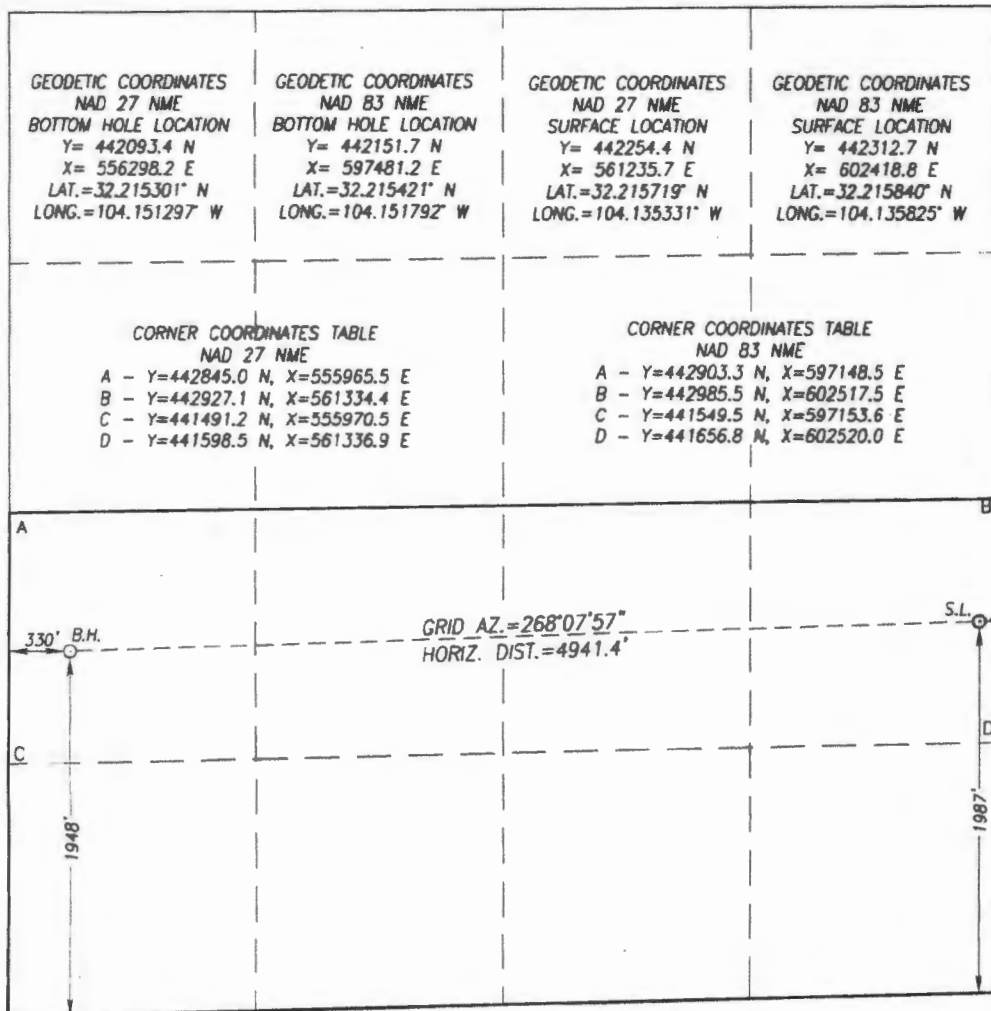
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	24-S	27-E		1987	SOUTH	100	EAST	EDDY

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
L	13	24-S	27-E		1948	SOUTH	330	WEST	EDDY

Dedicated Acres 320	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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

04/10/2017
Date

Signature
Steve Morris

Printed Name
Steve Morris

steve.morris@mojoenergy.com
E-mail Address

SURVEYOR CERTIFICATION

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.

DECEMBER 13, 2016

Date of Survey
Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
NEW MEXICO
REGISTERED SURVEYOR
3239

Ronald J. Eidson
Certificate Number
Ronald J. Eidson 12641
Ronald J. Eidson 3239

ACK JWSC W.O.: 16.11.0993

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

AMENDED REPORT
X

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-43898	Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 39924	Property Name MAD RIVER 13 STATE	
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Well Number 3H Elevation 3102'

Surface Location									
UL or lot No. P	Section 13	Township 24-S	Range 27-E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 175	East/West line EAST	County EDDY

Bottom Hole Location If Different From Surface									
UL or lot No. M	Section 13	Township 24-S	Range 27-E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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GEODETIC COORDINATES NAD 27 NME BOTTOM HOLE LOCATION Y= 440475.5 N X= 556304.2 E LAT.=32.210853° N LONG.=104.151286° W	GEODETIC COORDINATES NAD 83 NME BOTTOM HOLE LOCATION Y= 440533.7 N X= 597487.3 E LAT.=32.210974° N LONG.=104.151781° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 440595.5 N X= 561163.8 E LAT.=32.211159° N LONG.=104.135573° W	GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 440653.8 N X= 602346.9 E LAT.=32.211280° N LONG.=104.136068° W
CORNER COORDINATES TABLE NAD 27 NME A - Y=441491.2 N, X=555970.5 E B - Y=441598.5 N, X=561336.9 E C - Y=440137.4 N, X=555975.6 E D - Y=440269.8 N, X=561339.3 E		CORNER COORDINATES TABLE NAD 83 NME A - Y=441549.5 N, X=597153.6 E B - Y=441656.8 N, X=602520.0 E C - Y=440195.6 N, X=597158.6 E D - Y=440328.1 N, X=602522.5 E	

OPERATOR CERTIFICATION	
<i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	04/10/2017 Date
Signature Steve Morris Printed Name steve.morris@mojoenergy.com E-mail Address	
SURVEYOR CERTIFICATION	
<i>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.</i>	
Date of Survey Signature & Seal of Professional Surveyor:	
9/22/2016	
Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239	
ACK REL W.O.:16110609 JWSC W.O.: 16.13.0737	

Production Summary Report
API: 30-015-43898
MAD RIVER 13 STATE COM #003H

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2017	[98189] WC-015 G-06 S242713N;UPR WOLFCAMP (Jan	9043	13485	21458	11
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	22608	41430	47199	28
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	20730	39673	40925	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	2102	3512	49326	20
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	19089	33697	58093	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	15347	28433	38793	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	13321	25117	33421	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	11848	24443	32507	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	9842	21077	30265	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	9587	21525	24681	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	7639	16109	19369	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	6999	11607	17058	29
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	6880	11179	17999	29

Production Summary Report
API: 30-015-44042
MAD RIVER 13 STATE COM #004H

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	956	1462	7553	4
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	16469	33782	49283	25
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	26778	50614	58900	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	22200	42222	44202	31
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	16546	30012	32031	26
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	17456	30672	35650	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	13663	24411	28263	29
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	14067	29328	33841	30
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	12616	28588	26801	31
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	7258	15738	25054	21

McMillan, Michael, EMNRD

From: Jay Brown <jbrown@cazapetro.com>
Sent: Tuesday, April 10, 2018 4:59 PM
To: McMillan, Michael, EMNRD
Cc: Randy Nickerson; Rich Albro; Tony Sam; Khalsa, Niranjana K.
Subject: FW: Mad River Wells

Mike,
As we discussed this afternoon, prior to the OCD formation of the Purple Sage Field spacing rules, Caza drilled 2 wells on its Mad River prospect in the S/2 Section 13, T24S-R27E, Eddy County, NM. The Mad River 3H and 4H wells were permitted and drilled on 160 units, being the N/2 S/2 and S/2 S/2 of Section 13. Then, pursuant to the promulgation of the Purple Sage Field rules, Caza permitted and drilled the 6H well on the 320 acre S/2 unit. It is Caza's understanding that, at the operator's choice, the size of smaller units may be changed to the Purple Sage 320 acre size unit (from 160 acre to 320 acre units). It is my understanding that Caza has previously filed paperwork with the OCD to make this change to 320 acre units for the 3H and 4H wells. I understand from the SLO that this change is necessary since all wells are completed in the Wolfcamp formation and need to be under the same communitization agreement and PUN.

Due to the regular configuration of the leases within the S/2, all interested parties have the same respective interests in each of the 160 and the 320 acre units, therefore, no party in the units is "affected" by the unit spacing change. If you need any further information, please do not hesitate to let me know.

Jay Brown
Land Manager



Caza Petroleum, LLC.
Direct: 832-381-3854

Please note our new address
Four Greenspoint Place
16945 Northchase Drive, Suite 1430
Houston, Texas 77060