

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORAIN SUITE 1550 MIDLAND, TEXAS 79701		² OGRID Number 249099
		³ API Number 30 - 015-39995
⁴ Property Code 35026	⁵ Property Name FOREHAND RANCH "27" STATE	⁶ Well No. 2H
⁷ Proposed Pool 1 FOREHAND RANCH, B.S. 24660		⁸ Proposed Pool 2

⁷ Surface Location									
UL or lot no. C	Section 27	Township 23S	Range 27E	Lot 1dn	Feet from the 330'	North/South line North	Feet from the 1980'	East/West line West	County EDDY CO.

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 27	Township 23S	Range 27E	Lot 1dn	Feet from the 330'	North/South line South	Feet from the 1980'	East/West line West	County EDDY CO.

Additional Well Information				
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3161
¹⁶ Multiple NO	¹⁷ Proposed Depth TVD=8600'	¹⁸ Formation BONE SPRING	¹⁹ Contractor UNKNOWN	²⁰ Spud Date WHEN APPROVED

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	Conductor	50'	Redi-mix	Surface
17 1/2"	13 3/8"	48#	450'	313 Sx.	Surface
12 1/4"	9 5/8"	36#	2150'	550 Sx.	Surface
8 1/2"	--	--	9200'	--	No casing
7 7/8"	5 1/2"	17#	13,000'	606 Sx.	5500' FS Est.

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED SHEET FOR DETAIL

RECEIVED
FEB 24 2012
NMOCD ARTESIA

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: Joe T. Janica		Approved by: T. C. Shugart	
Printed name: Joe T. Janica		Title: Geologist	
Title: Permit Eng.		Approval Date: 3/2/2012 Expiration Date: 3/2/2014	
E-mail Address: joejanica@valornet.com			
Date: 02/22/12	Phone: 575-391-8503	Conditions of Approval Attached ☐	

1. Drill 26" hole to 50'. Set 50' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 450'. Run and set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 163 Sx. of 35/65 Class "C" POZ cement + 5% Salt, Yield 1.89, tail in with 150 Sx. of Class "C" cement + 2% CaCl, Yield 1.32, use 50% excess circulate cement to surface.
3. Drill 12½" hole to 2150'. Run and set 2150' of 9 5/8" 36# J-55 LT&C casing. Cement with 350 Sx. of 35/65 Class "C" POZ cement + 6% Gel, + 5% Salt, Yield 2.09, tail in with 200 Sx. of Class "C" cement + 1% CaCl, Yield 1.32 use 50% Excess, circulate cement to surface.
4. Drill 8½" hole to 9200'. Run open hole logs: Dual Induction, CNL, LDT, Gamma Ray, Caliper from TD back to 9 5/8" casing shoe. Run Gamma Ray, Neutron from 9 5/8" casing shoe back to surface. Set cement plug back to KO point (8025±').
5. Drill 8½" hole while building curve to end of curve estimated at 8875' MD. Then change bit to 7 7/8" and drill to a MD of 13,002'. Run and set 5½" 17# casing as follows: 5002' of 5½" 17# P-110 BT&C, 8000' of 5½" 17# P-110 LT&C casing. Cement with 655 Sx. of 50/50 Class "H" cement + 5# Gilsonite/Sx, + 0.25 econo-lite, + 0.125# Cello Flakes/Sx., + 0.01% Gel, Yield 1.3, tail in with 606 Sx. of Class "H" cement + Fluid loss control, + expansion additive, Yield 1.18, use 35% Excess estimate top of cement 5500' from surface.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
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DISTRICT III
1000 Rio Brazos Rd., 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 and Natural Resources Department

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

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FEB 24 2012

NMOC D ARTESIA

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39995	Pool Code 246(D)	Pool Name FOREHAND-RANCH; B.S.
Property Code 39026	Property Name FOREHAND RANCH "27" STATE	Well Number 2H
OGRID No. 249099	Operator Name CAZA OPERATING, LLC.	Elevation 3161'

Surface Location

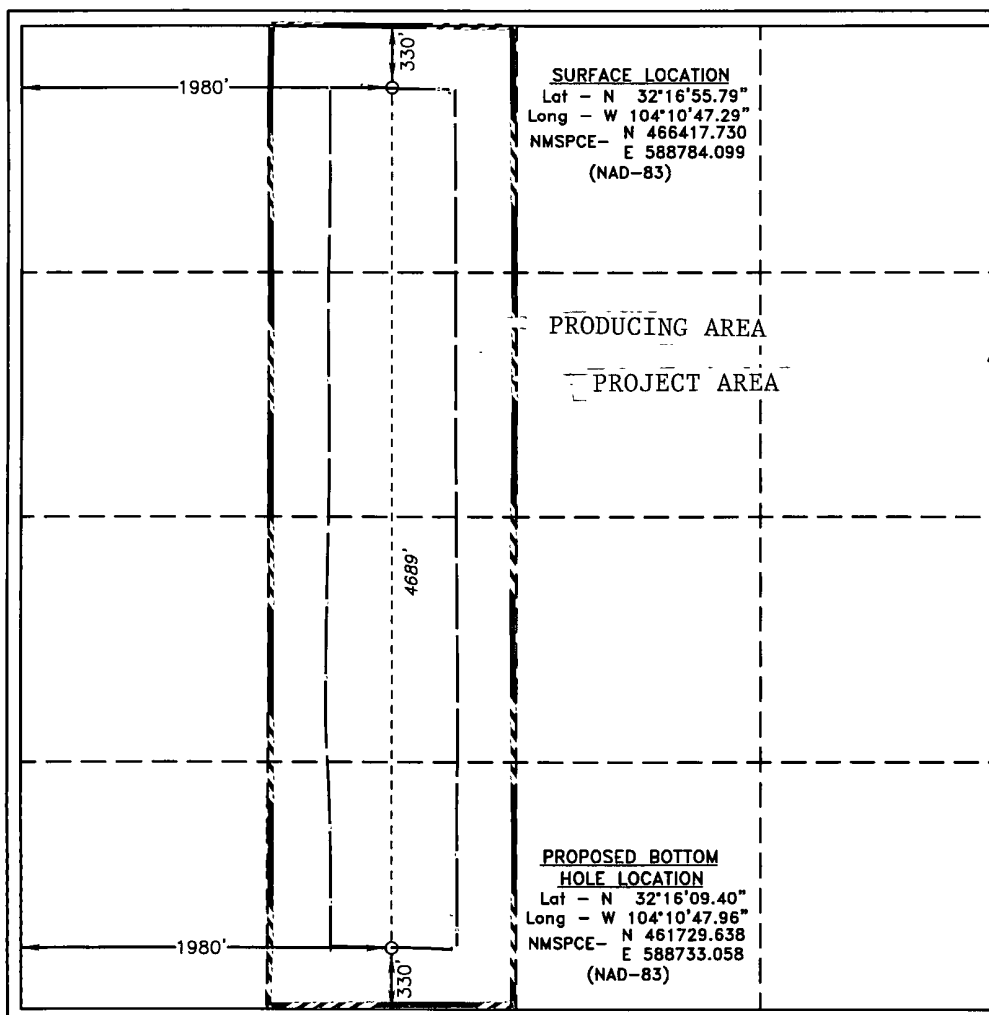
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	23 S	27 E		330	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

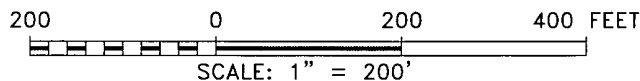
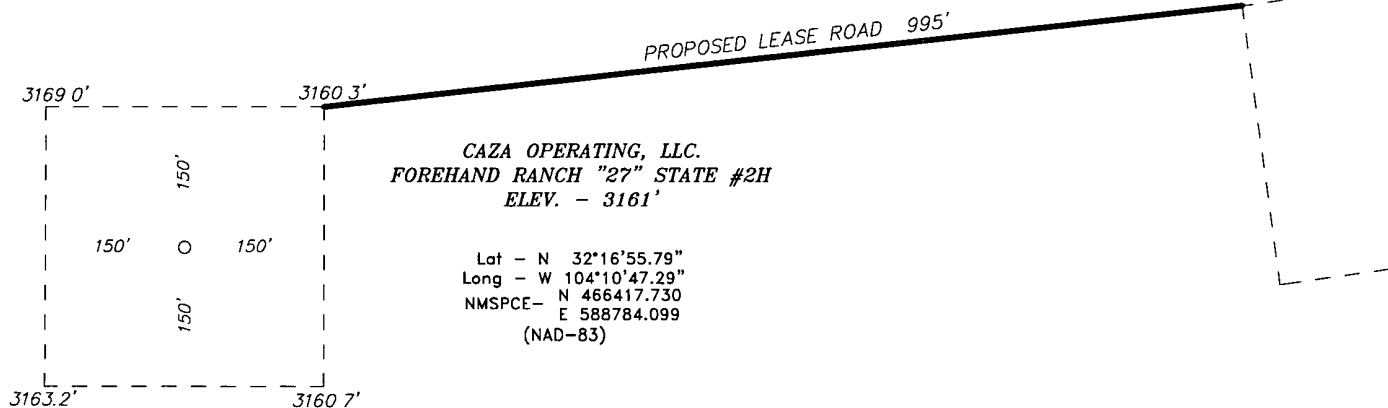
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	23 S	27 E		330	SOUTH	1980	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

	SURFACE LOCATION Lat - N 32°16'55.79" Long - W 104°10'47.29" NMSPCE- N 466417.730 E 588784.099 (NAD-83) PRODUCING AREA PROJECT AREA PROPOSED BOTTOM HOLE LOCATION Lat - N 32°16'09.40" Long - W 104°10'47.96" NMSPCE- N 461729.638 E 588733.058 (NAD-83)	OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: Joe T. Janica Date: 02/22/12 Printed Name: Joe T. Janica Email Address: joejanica@valornet.com 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. Date Surveyed: FEBRUARY 16, 2011 Signature & Seal of Professional Surveyor: Gary L. Jones W.O. No. 26232 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26232
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SECTION 27, TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF LONDON AND GRANDI, GO
SOUTH ON GRANDI FOR 0.3 MILES TO PROPOSED
LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number. 26232 Drawn By: J. SMALL

Date: 02-16-2012 Disk: JMS 26232

CAZA OPERATING, LLC.

REF FOREHAND RANCH "27" STATE #2H / WELL PAD TOPO

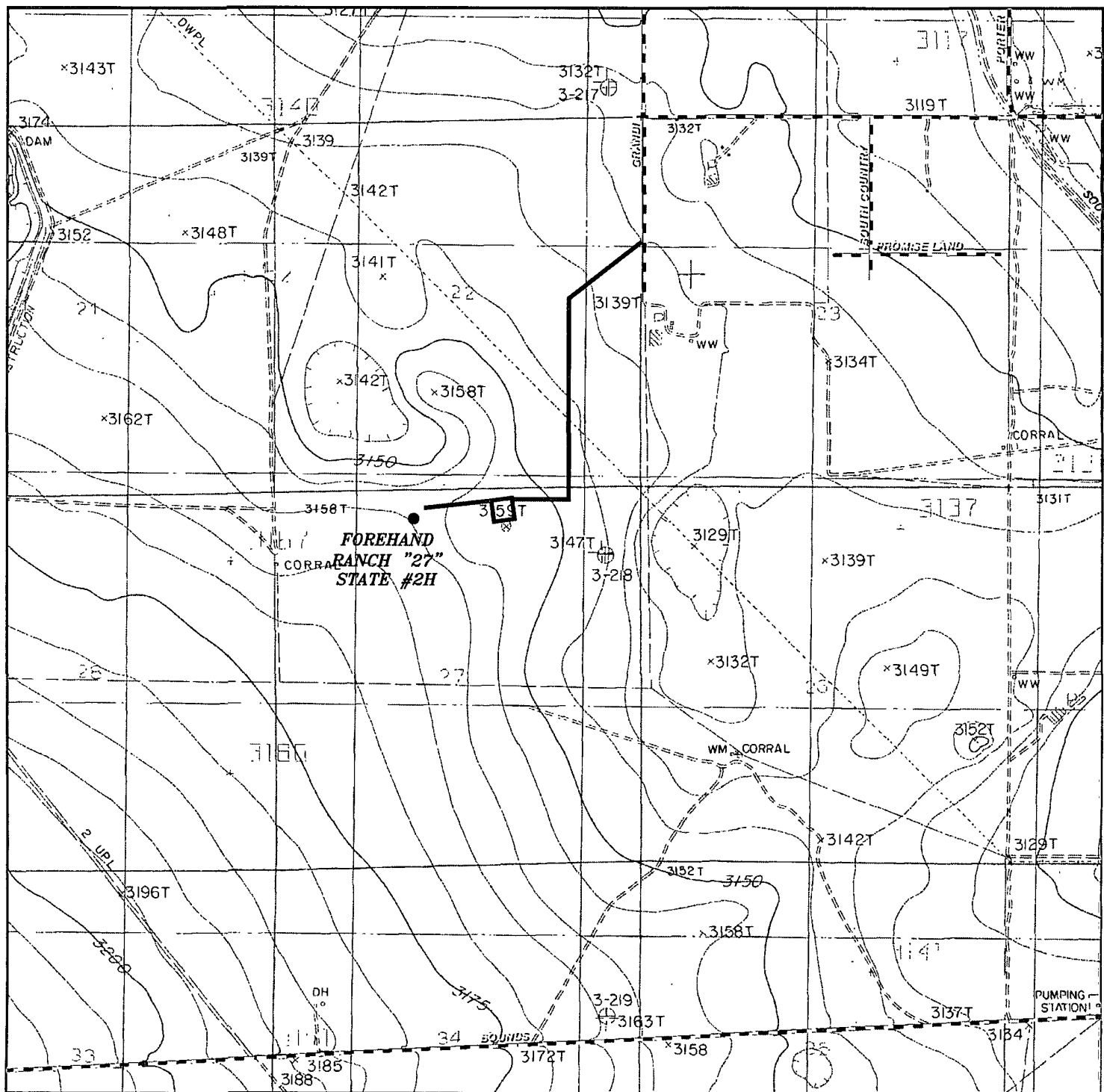
THE FOREHAND RANCH "27" STATE #2H LOCATED 330'

FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF

SECTION 27, TOWNSHIP 23 SOUTH, RANGE 27 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 02-16-2012 Sheet 1 of 1 Sheets



FOREHAND RANCH "27" STATE #2H
 Located 330' FNL and 1980' FWL
 Section 27, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 26232

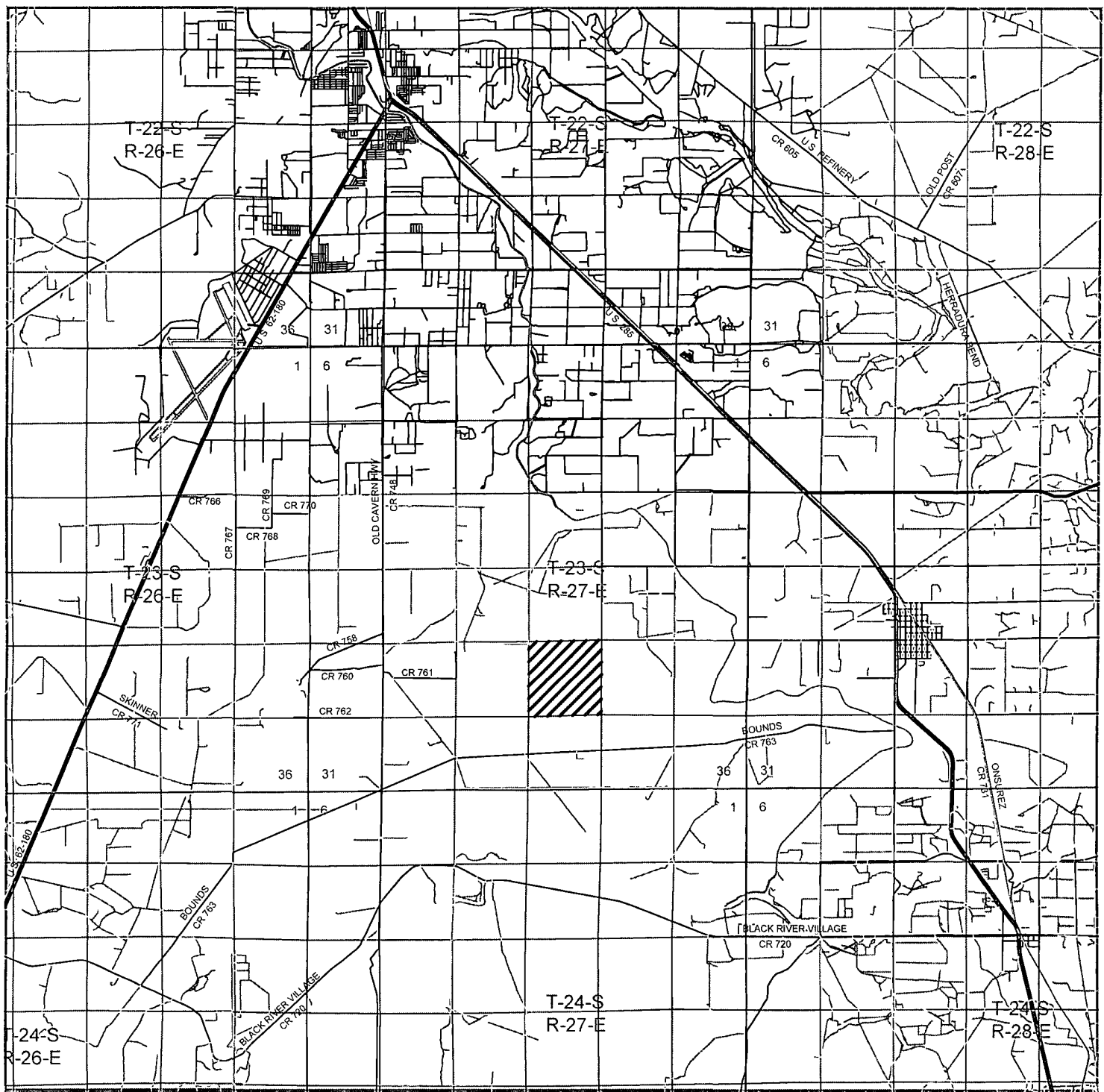
Survey Date: 02-16-2012

Scale: 1" = 2000'

Date: 02-21-2012



**CAZA
 OPERATING,
 LLC.**



FOREHAND RANCH "27" STATE #2H
 Located 330' FNL and 1980' FWL
 Section 27, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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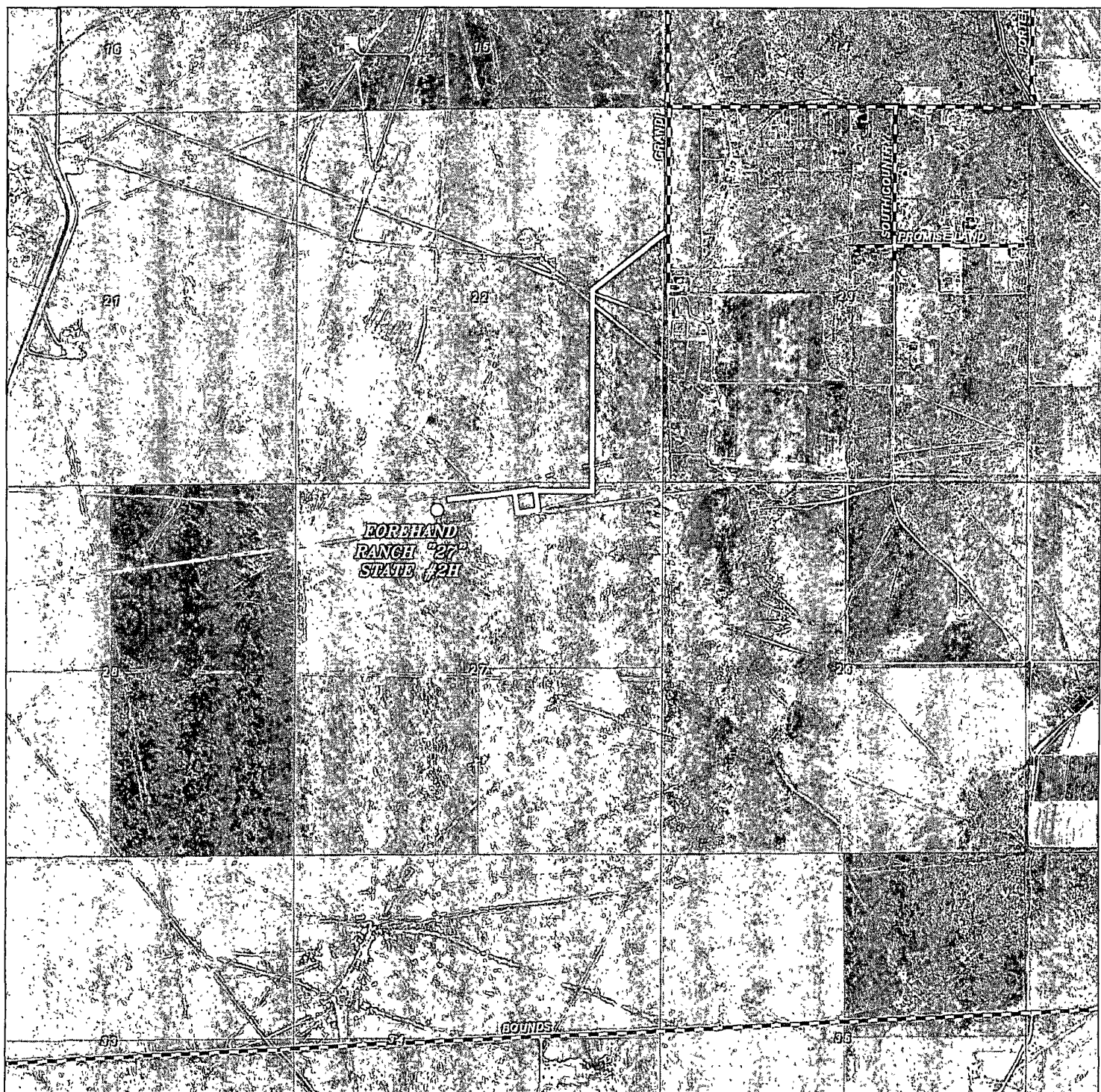
W.O. Number: JMS 26232

Survey Date: 02-16-2012

Scale: 1" = 2 Miles

Date: 02-21-2012

**CAZA
 OPERATING,
 LLC.**



FOREHAND RANCH "27" STATE #2H
 Located 330' FNL and 1980' FWL
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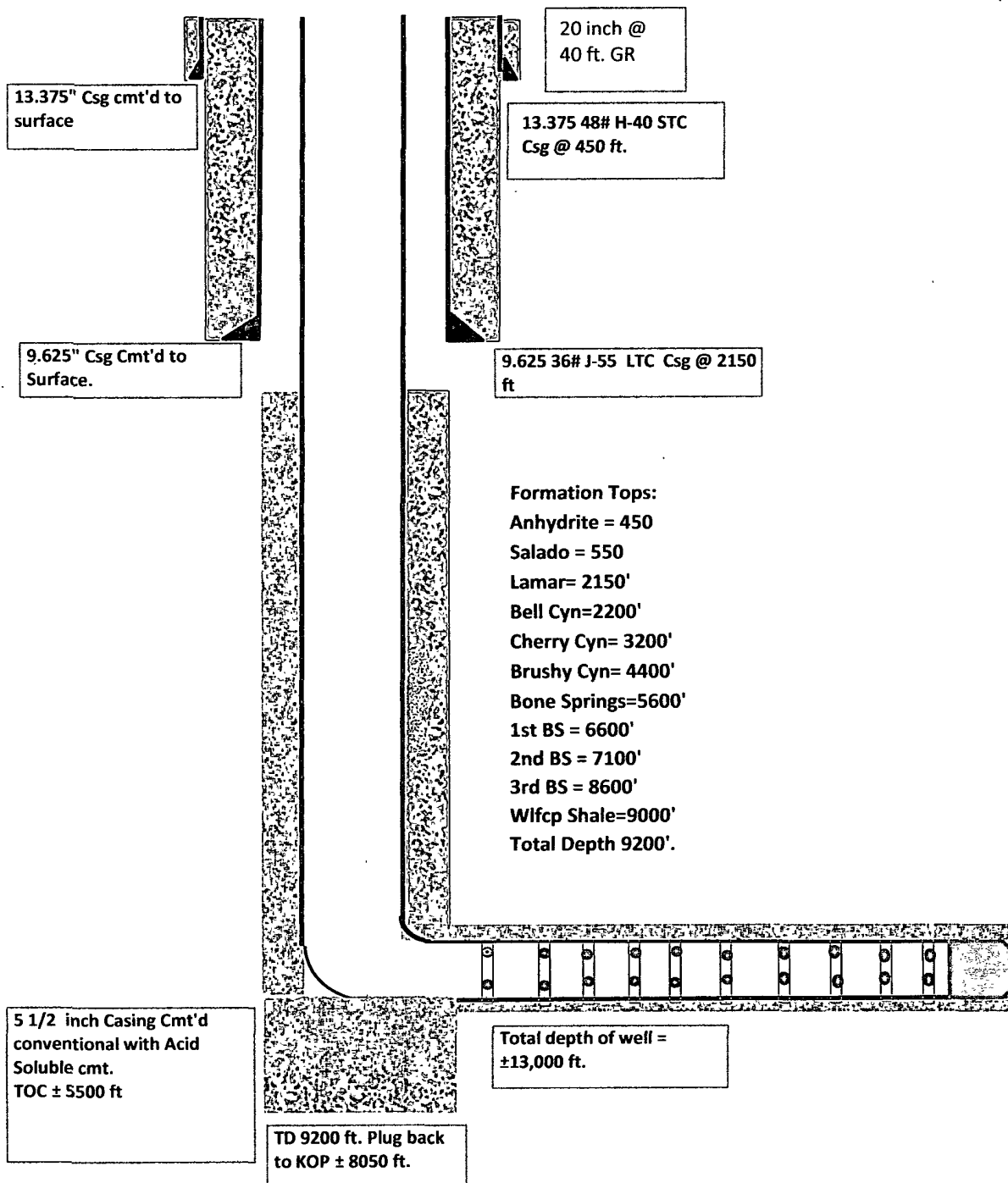
W.O. Number: JMS 20981

Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

CAZA
OPERATING,
LLC.

Forehand Ranch 27 State # 2H
330 FNL & 1980 FWL, SEC 27, T23S, R27E
Eddy County, New Mexico



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

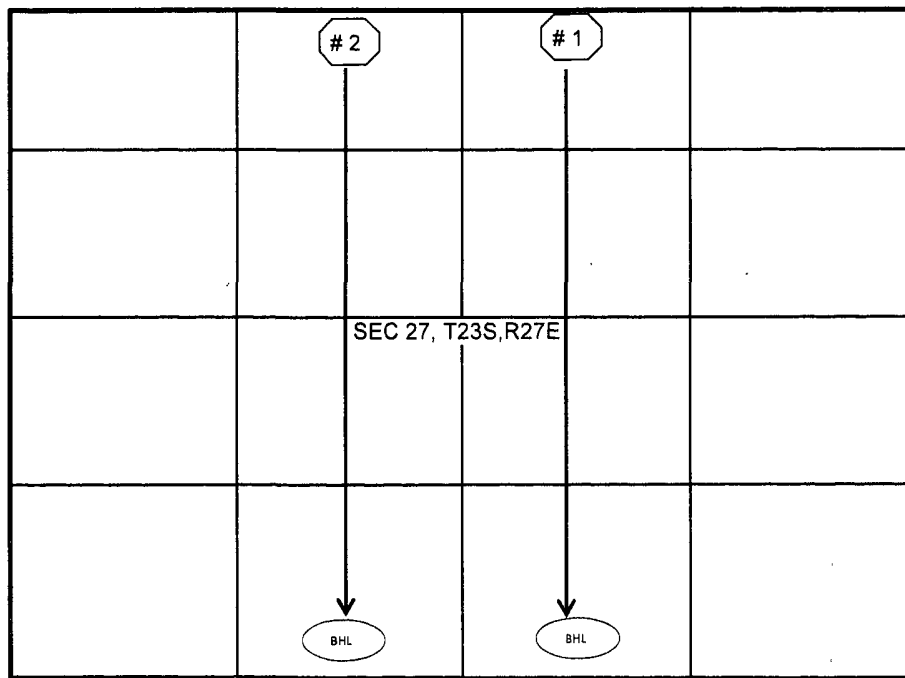
TABLE OF SURVEY STATIONS

Calculator =

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+S- ft	E+W- ft	DLS deg/100FT
1	TIE POINT =>	0	0	8024.00	8024.00	0.00	0.00	-
2	100	8	180	8124.00	8123.68	-6.97	0.00	8.00
3	100	12	180	8224.00	8222.14	-24.33	0.00	4.00
4	100	24	180	8324.00	8317.07	-55.18	0.00	12.00
5	100	36	180	8424.00	8403.51	-105.09	0.00	12.00
6	100	48	180	8524.00	8477.69	-171.88	0.00	12.00
7	100	60	180	8624.00	8536.36	-252.63	0.00	12.00
8	100	72	180	8724.00	8576.96	-343.82	0.00	12.00
9	100	84	180	8824.00	8597.71	-441.45	0.00	12.00
10	50	90	180	8874.00	8600.33	-491.36	0.00	12.00
11	100	90	180	8974.00	8600.33	-591.36	0.00	0.00
12	100	90	180	9074.00	8600.33	-691.36	0.00	0.00
13	100	90	180	9174.00	8600.33	-791.36	0.00	0.00
14	100	90	180	9274.00	8600.33	-891.36	0.00	0.00
15	100	90	180	9374.00	8600.33	-991.36	0.00	0.00
16	100	90	180	9474.00	8600.33	-1091.36	0.00	0.00
17	100	90	180	9574.00	8600.33	-1191.36	0.00	0.00
18	100	90	180	9674.00	8600.33	-1291.36	0.00	0.00
19	100	90	180	9774.00	8600.33	-1391.36	0.00	0.00
20	100	90	180	9874.00	8600.33	-1491.36	0.00	0.00
21	100	90	180	9974.00	8600.33	-1591.36	0.00	0.00
22	100	90	180	10074.00	8600.33	-1691.36	0.00	0.00
23	100	90	180	10174.00	8600.33	-1791.36	0.00	0.00
24	100	90	180	10274.00	8600.33	-1891.36	0.00	0.00
25	100	90	180	10374.00	8600.33	-1991.36	0.00	0.00
26	100	90	180	10474.00	8600.33	-2091.36	0.00	0.00
27	100	90	180	10574.00	8600.33	-2191.36	0.00	0.00
28	100	90	180	10674.00	8600.33	-2291.36	0.00	0.00
29	100	90	180	10774.00	8600.33	-2391.36	0.00	0.00
30	100	90	180	10874.00	8600.33	-2491.36	0.00	0.00
31	100	90	180	10974.00	8600.33	-2591.36	0.00	0.00
32	100	90	180	11074.00	8600.33	-2691.36	0.00	0.00
33	100	90	180	11174.00	8600.33	-2791.36	0.00	0.00
34	100	90	180	11274.00	8600.33	-2891.36	0.00	0.00
35	100	90	180	11374.00	8600.33	-2991.36	0.00	0.00
36	100	90	180	11474.00	8600.33	-3091.36	0.00	0.00
37	100	90	180	11574.00	8600.33	-3191.36	0.00	0.00
38	100	90	180	11674.00	8600.33	-3291.36	0.00	0.00
39	100	90	180	11774.00	8600.33	-3391.36	0.00	0.00
40	100	90	180	11874.00	8600.33	-3491.36	0.00	0.00
41	100	90	180	11974.00	8600.33	-3591.36	0.00	0.00
42	100	90	180	12074.00	8600.33	-3691.36	0.00	0.00
43	100	90	180	12174.00	8600.33	-3791.36	0.00	0.00
44	100	90	180	12274.00	8600.33	-3891.36	0.00	0.00
45	100	90	180	12374.00	8600.33	-3991.36	0.00	0.00
46	100	90	180	12474.00	8600.33	-4091.36	0.00	0.00
47	100	90	180	12574.00	8600.33	-4191.36	0.00	0.00
48	100	90	180	12674.00	8600.33	-4291.36	0.00	0.00
49	100	90	180	12774.00	8600.33	-4391.36	0.00	0.00
50	100	90	180	12874.00	8600.33	-4491.36	0.00	0.00
51	100	90	180	12974.00	8600.33	-4591.36	0.00	0.00
52	28	90	180	13002.00	8600.33	-4619.36	0.00	0.00

Forehand Ranch 27 State # 2H 3rd Bones Springs Horizontal

Sec 27, T-23-S, R-27-E, Eddie County, New Mexico

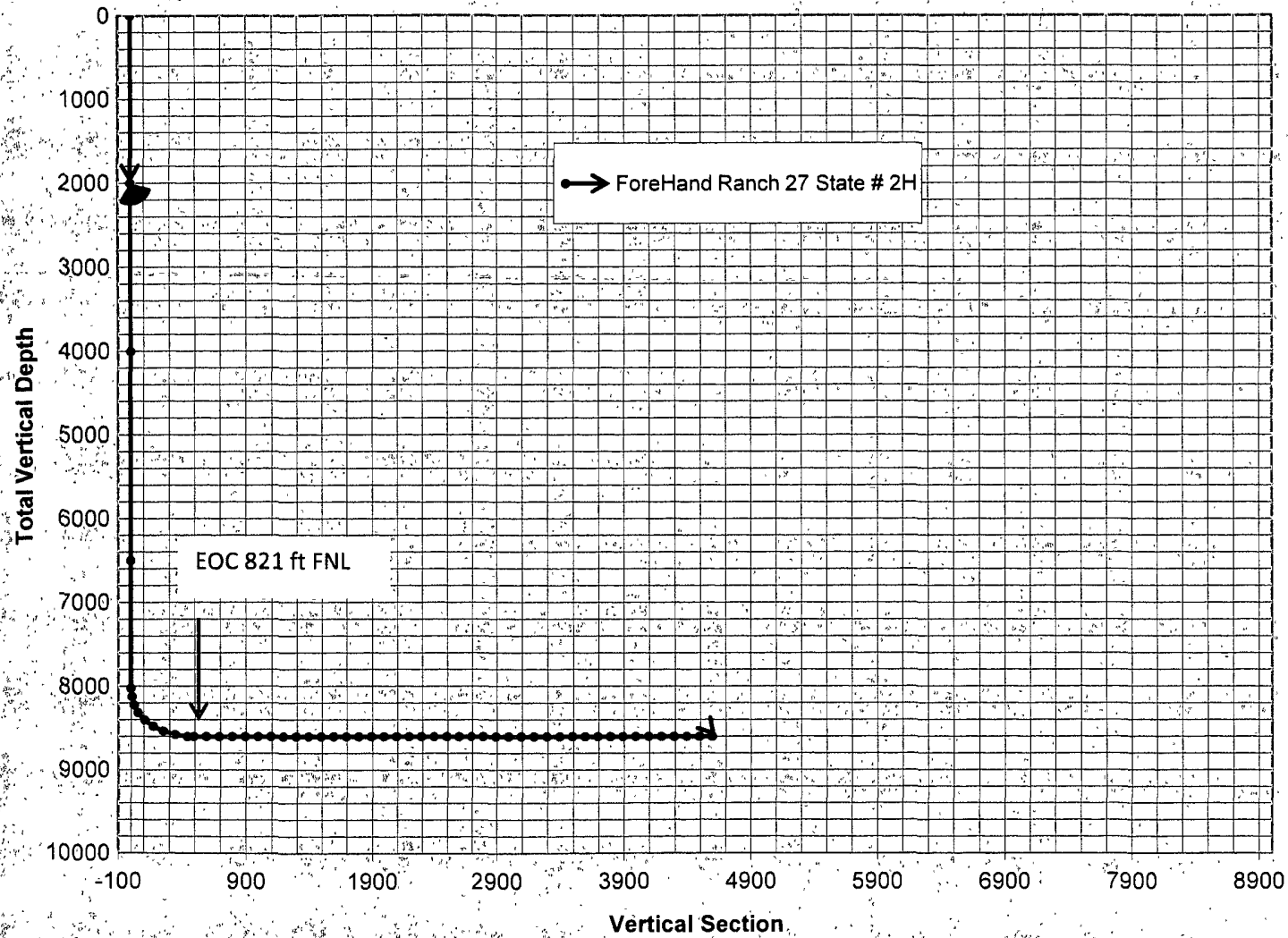


Well Name	Surface Location	Depth and Strata	Current Prod Zone	Bottom Hole Location	
Forehand Ranch 27 State # 1H	252 FNL & 1980 FEL	TD = 9200 3rd Bone Springs Hrzs	Vertical in Wlfcmp	330 FSL & 1980 FEL	± 8600 TVD
Forehand Ranch 27 State # 2H	330 FNL & 1980 FWL	TD = 9200 3rd Bone Springs Hrzs	Vertical in Wlfcmp	330 FSL & 1980 FWL	± 8600 TVD

Description: Drill, Complete Horizontal Bone Sprgs 330 FNL & 1980 FWL, Sec 27, T23S, R27E

KOP ± 8024 ft. Horizontal @ 8600 ft TVD. Measured Depth ± 13,002 ft. Lateral 4128 ft. BHL = 330 FSL & 1980 FWL

ForeHand Ranch 27 St # 2H



Horizontal Plane Footage +East/-West

Footage + North/- South

