

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

RECEIVED
JUL 10 2013
AMENDED REPORT
NMOCD ARTESIA

Form C-101
Revised November 14, 2012

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

Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORAINE SUITE 1550 MIDLAND, TEXAS 79701		OGRID Number 249099
Property Code 40013		Well No. 3
Property Name FOREHAND RANCH 27 STATE		API Number 30-015-41531

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	27	23S	27E		150'	North	1900'	East	Eddy

*** Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name CASS DRAW; DELAWARE	Pool Code 10910
WILDCAT-RAMSEY	

Additional Well Information

Work Type N	Well Type O	Cable/Rotary Rotary	Lease Type S	Ground Level Elevation 3159'
Multiple NO	Proposed Depth 2500'	Formation Ramsey	Contractor Capstar	Spud Date When Approved
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Conductor	26"	20"	NA	40'	Redi-mix	Surface
Surface	12 3/4"	8 5/8"	24#	450'	244 Sx.	Surface
Prod	7 7/8"	4 1/2"	11.6#	2500'	702 Sx.	Surface

Casing/Cement Program: Additional Comments

SEE ATTACHED SHEET

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000 PSI	2000 PSI	Schaffer or Cameron

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

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Joe T. Janica*

Printed name: Joe T. Janica

Title: Permit Eng.

E-mail Address: joejanica@valornet.com

Date: 07/09/13

Phone: 575-391-8503

OIL CONSERVATION DIVISION

Approved By: *JP Spewist*

Title: DIST JP Spewist

Approved Date: July 11, 2013 Expiration Date: July 11, 2015

Conditions of Approval Attached: See attached

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Phone (505) 478-3460 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-41531	Well Code 10910	Pool Name WILDCAT-RAMSEY CASS DRAW; Delawore
Property Code 40013	Property Name FOREHAND RANCH "27" STATE	Well Number 3
OGRID No. 249099	Operator Name CAZA OPERATING, LLC.	Elevation 3159'

Surface Location

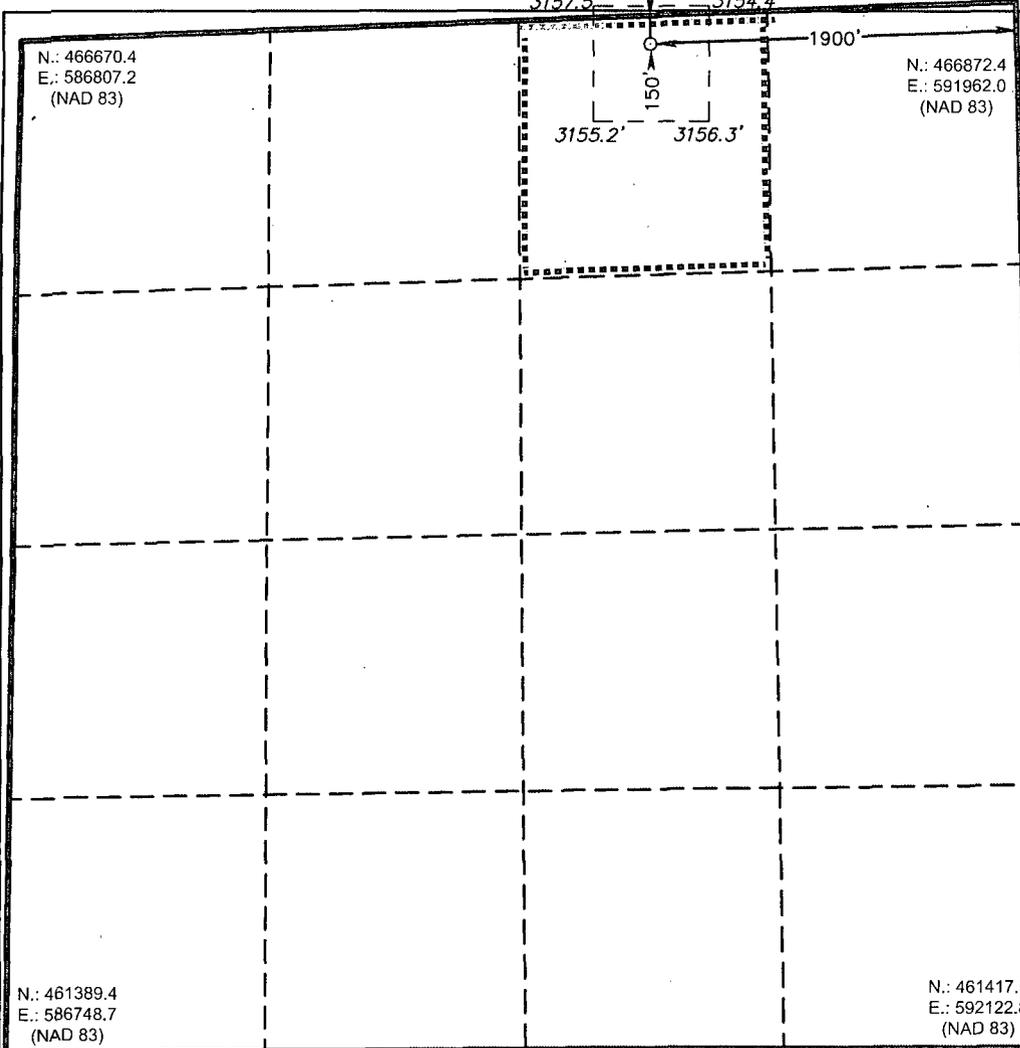
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	23 S	27 E		150	NORTH	1900	EAST	EDDY

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

Dedicated Acres 40	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 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.

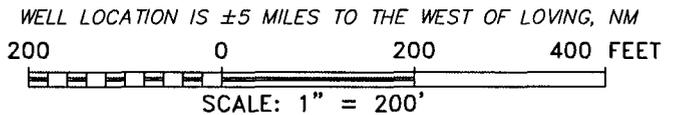
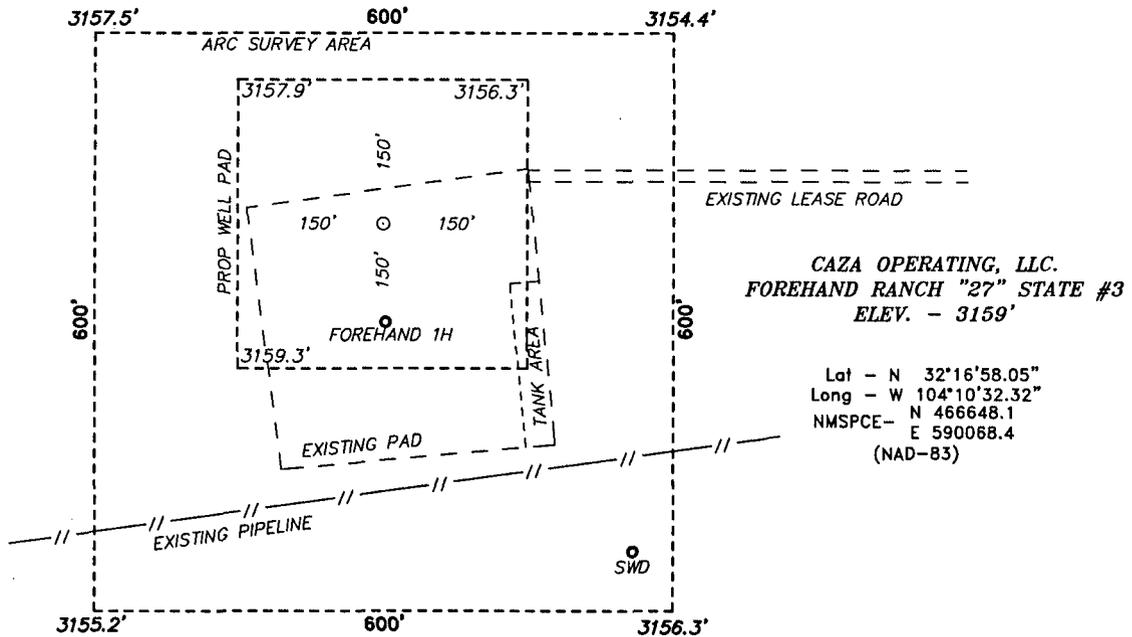
Signature: Joe T. Janica Date: 07/09/13
Printed Name: Joe T. Janica
Email Address: joejanica@valornet.com

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: July 13, 2013
Signature & Seal of Professional Surveyor: [Signature]
Certificate No. Gary L. Jones 7977
BASIN SURVEYS 28631

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 $\frac{1}{4}$ " hole to 450'. Run and set 450' of 8 5/8" 24# J-55 ST&C casing. Cement with 144 Sx. of Class "C" cement + 4% Bentonite, + 2% CaCl, +0.25# Cello Flakes/Sx. Yield 1.75, tail in with 100 Sx. of Class "C" cement + 2% CaCl, Yield 1.33. 100% Excess, circulate cement to surface.
3. Drill 7 7/8" hole to 2500'. Run and set 2500' of 4 $\frac{1}{2}$ " 11.6# J-55 LT&C casing. Cement with 462 Sx. of Class "C" cement + 4% Gel, + 1% CaCl, Yield 1.75, tail in with 240 Sx. of Class "C" cement + 1% CaCl, Yield 1.33. 100% Excess circulate cement to surface.

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 LEASE ROAD, ON LEASE ROAD GO SOUTHWEST 0.3 MILES TURNING SOUTH 0.6 MILES THENCE BACK WEST 0.2 MILES TO PROPOSED LOCATION.

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

W.O. Number: 28631 Drawn By: J. SMALL

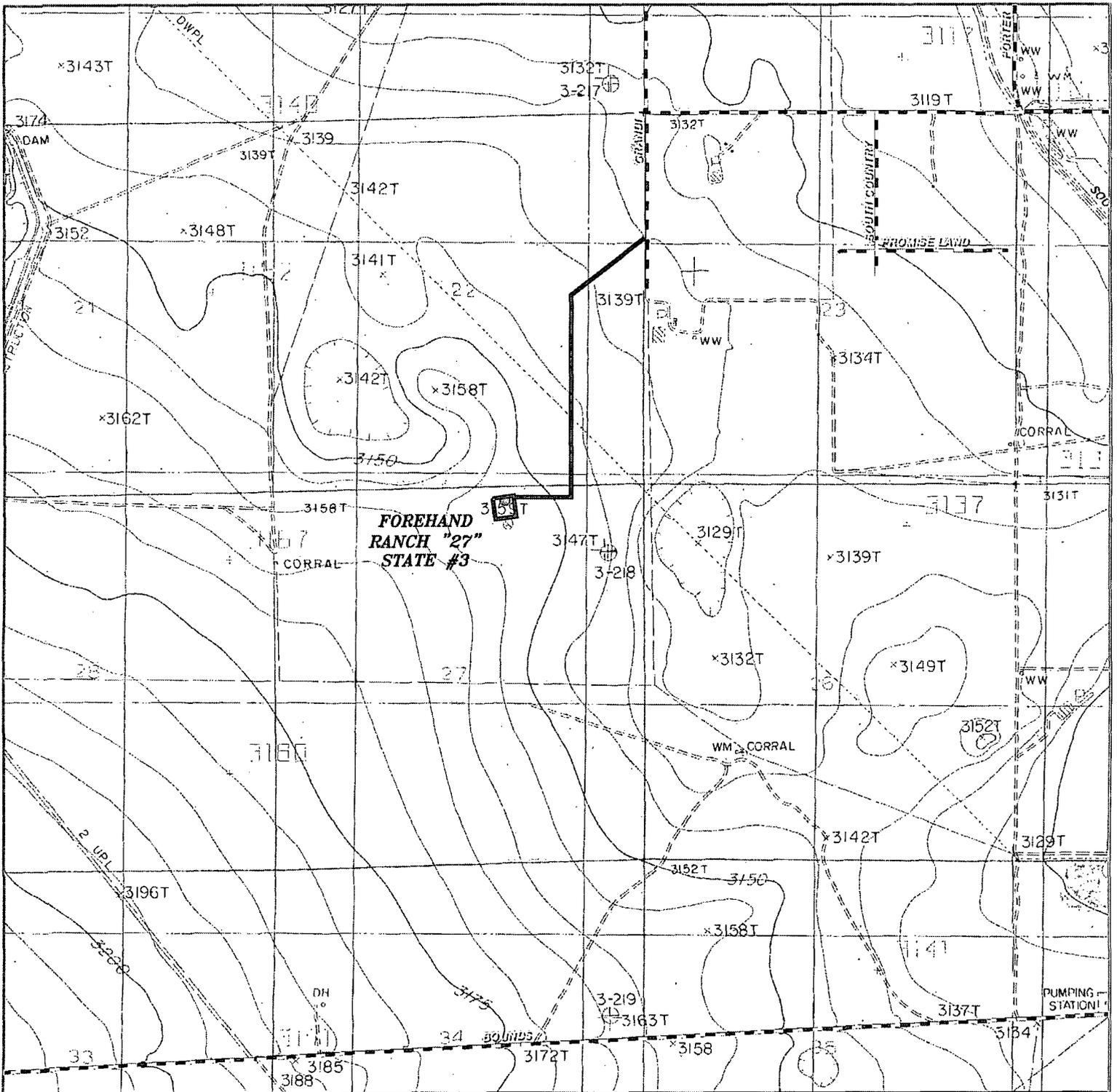
Date: 05-15-2013 Disk: JMS 28631

CAZA OPERATING, LLC.

REF: FOREHAND RANCH "27" STATE #3 / WELL PAD TOPO

THE FOREHAND RANCH "27" STATE #3 LOCATED 150'
 FROM THE NORTH LINE AND 1900' FROM THE EAST LINE OF
 SECTION 27, TOWNSHIP 23 SOUTH, RANGE 27 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 05-03-2013 Sheet 1 of 1 Sheets



FOREHAND RANCH "27" STATE #3
 Located 150' FNL and 1900' FEL
 Section 27, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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 28631

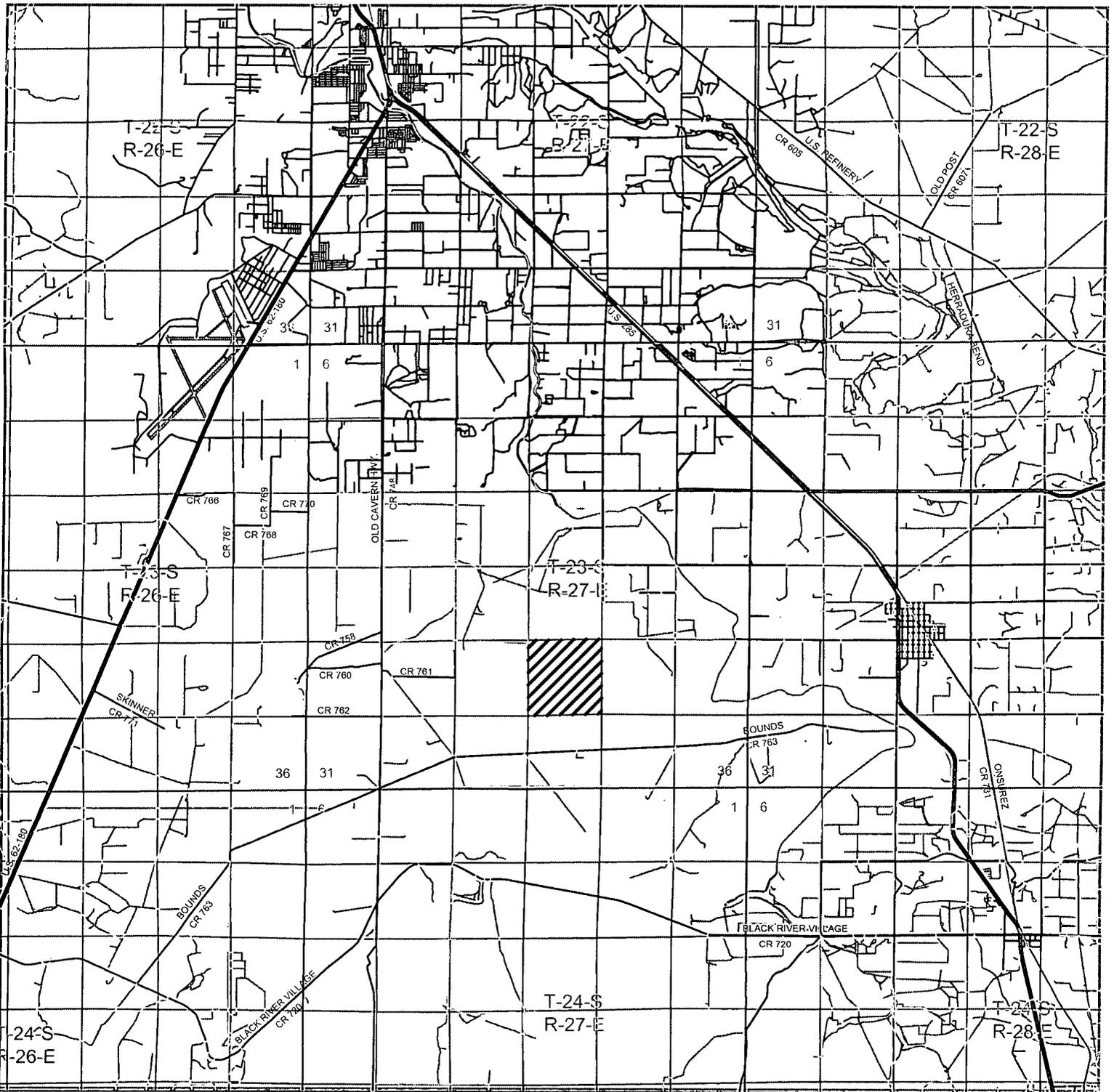
Survey Date: 05-03-2013

Scale: 1" = 2000'

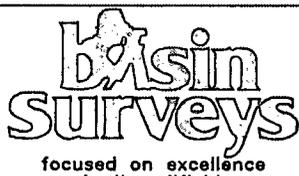
Date: 05-15-2013



**CAZA
 OPERATING,
 LLC.**



FOREHAND RANCH "27" STATE #3
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 Section 27, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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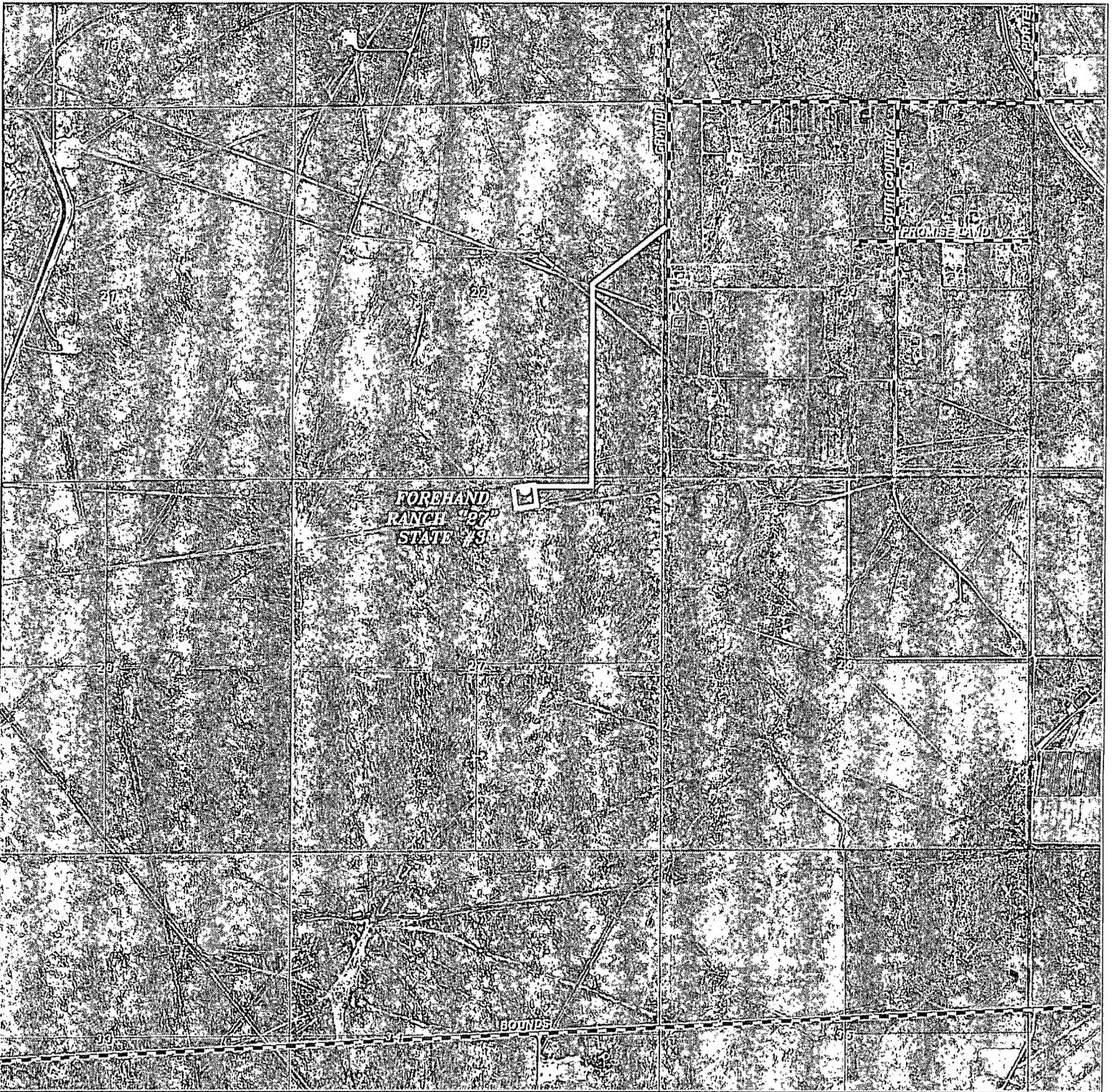
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Survey Date: 05-03-2013

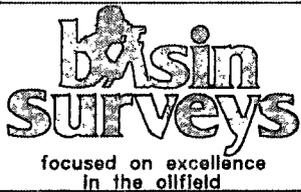
Scale: 1" = 2 Miles

Date: 05-15-2013

**CAZA
 OPERATING,
 LLC.**



FOREHAND RANCH "27" STATE #3
 Located 150' FNL and 1900' FEL
 Section 27, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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W.O. Number: JMS 20981

Scale: 1" = 2000'

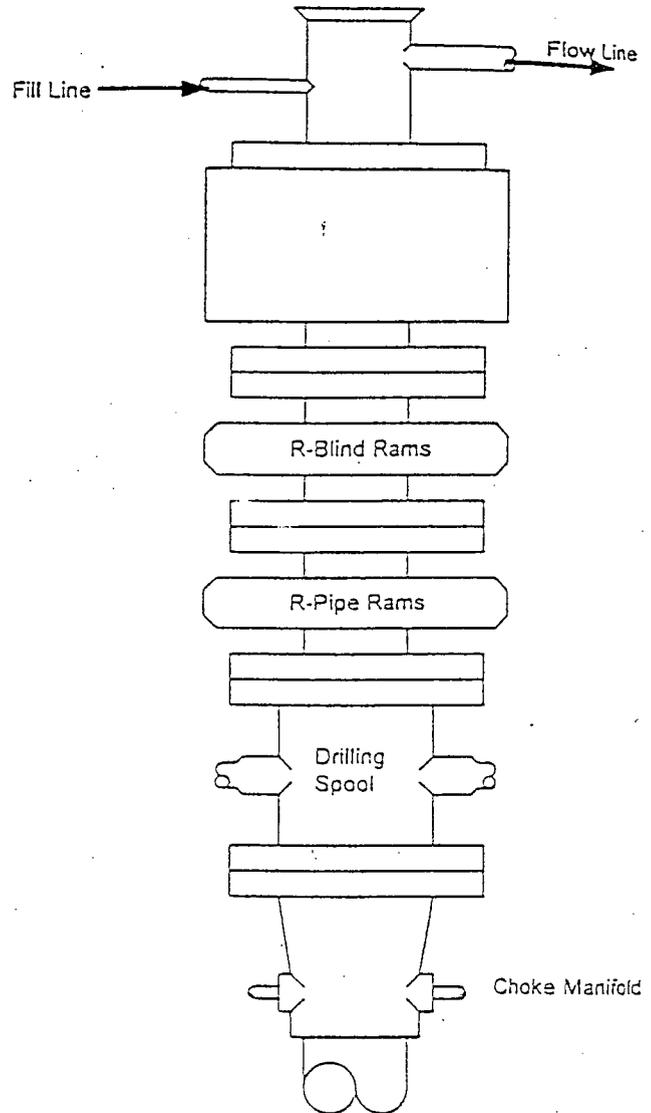
YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**CAZA
 OPERATING,
 LLC.**

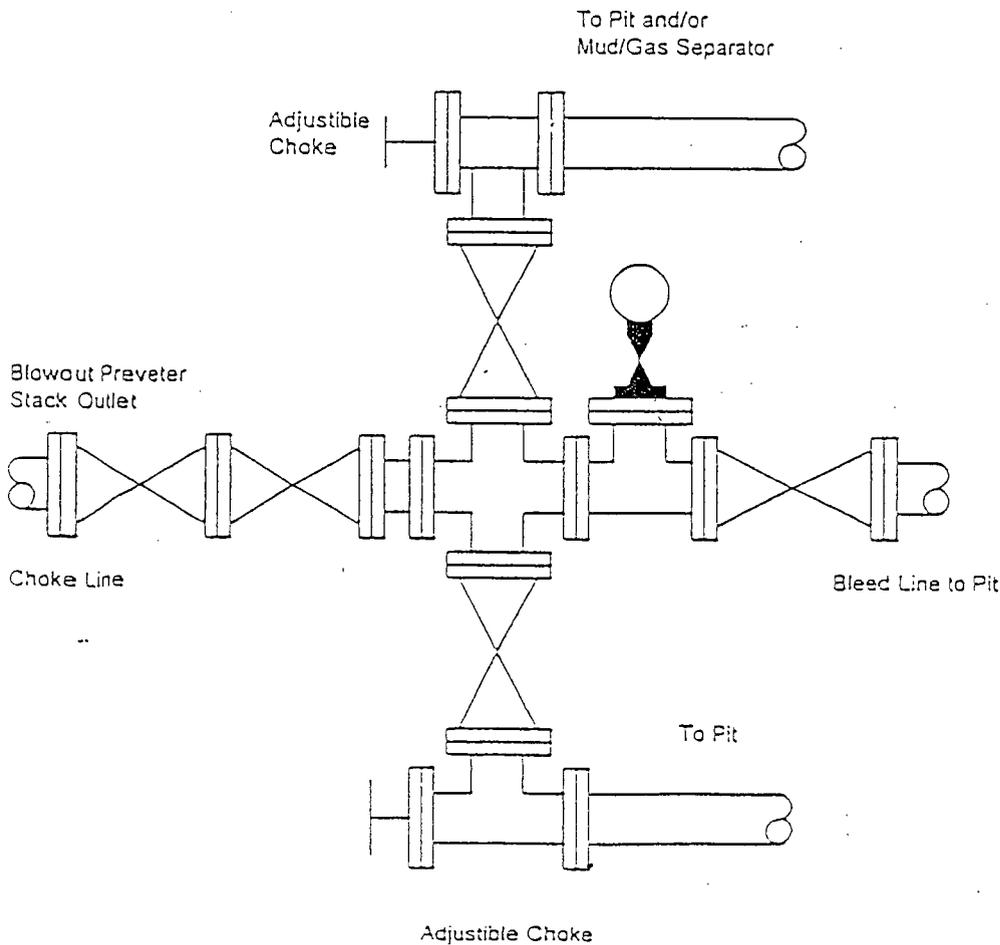
BLOWOUT PREVENTER SYSTEM

3000 PSI WORKING PRESSURE



Type 900 Series
3000 psi WP

Choke Manifold Assembly for 3M WP System



Permit Conditions of Approval

API: 30-015-41531

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

File C144 or C103, whichever is applicable.