

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

Form C-101
 Revised July 18, 2013

NM OIL CONSERVATION DIVISION
ARTESIA DISTRICT
JUL 16 2014

RECEIVED

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 Property Code 40499		⁴ Property Name FOREHAND 22 STATE	
		⁵ API Number 30-015- 92516	
		⁶ Well No. 4	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	22	23S	27E		1980'	SOUTH	660'	EAST	EDDY

8. 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

⁹ Pool Name CASS DRAW-DELAWARE	¹⁰ Pool Code 10410
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Additional Well Information

¹¹ Work Type N	¹² Well Type O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3148'
¹⁶ Multiple NO	¹⁷ Proposed Depth 2500'	¹⁸ Formation DELAWARE	¹⁹ Contractor CAPSTAR	²⁰ Spud Date WHEN APPROVED
Depth to Ground water 100'	Distance from nearest fresh water well .5 Miles East of location		Distance to nearest surface water None Known	

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	48#	450'	415 Sx	Surface
Intermediate	12 1/4"	8 5/8"	24#	2050'	795 Sx.	Surface
Production	7 7/8"	5 1/2"	15.5#	4000'	465 Sx.	TOC 1500' F. S.

Casing/Cement Program: Additional Comments

SEE ATTACHED SHEET

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000 PSI	1500 PSI	Cameron or Schaffer

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: 07/15/14 Phone: 575-391-8503

OIL CONSERVATION DIVISION	
Approved By: <i>T. C. Shepard</i>	
"Geologist"	
Approved Date: 7-16-2014	Expiration Date: 7-16-2016
Conditions of Approval Attached	

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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
1223 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-42516	Pool Code 10410	Name CASS-DRAW-DELAWARE
Property Code 40499	Property Name FOREHAND 22 STATE	Well Number 4
OGRID No. 249099	Operator Name CAZA OPERATING LLC	Elevation 3148

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
1	22	23 S	27 E		1980	SOUTH	660	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	Joint or Infill	Consolidation Code	Order No.
40			

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

N.: 472059.2 E.: 586719.7 (NAD 83)	N.: 472120.4 E.: 589344.3 (NAD 83)	N.: 472181.6 E.: 591969.0 (NAD 83)	<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p><i>Joe T. Janica</i> Signature Date Joe T. Janica 07/15/14 Printed Name joejanica@valornet.com Email Address</p>
<p>SURFACE LOCATION Lot - N 32°17'19.60" Long - W 104°10'17.88" NMSPC - N 468827.7 E 591304.8 (NAD-83)</p> <p>S.L. 660' 1980'</p>			
N.: 466670.4 E.: 586807.2 (NAD 83)	<p>N.: 466872.4 E.: 591962.0 (NAD 83)</p>		<p>0' 500' 1000' 1500' 2000'</p> <p>SCALE: 1" = 1000' WO Num.: 30644</p>

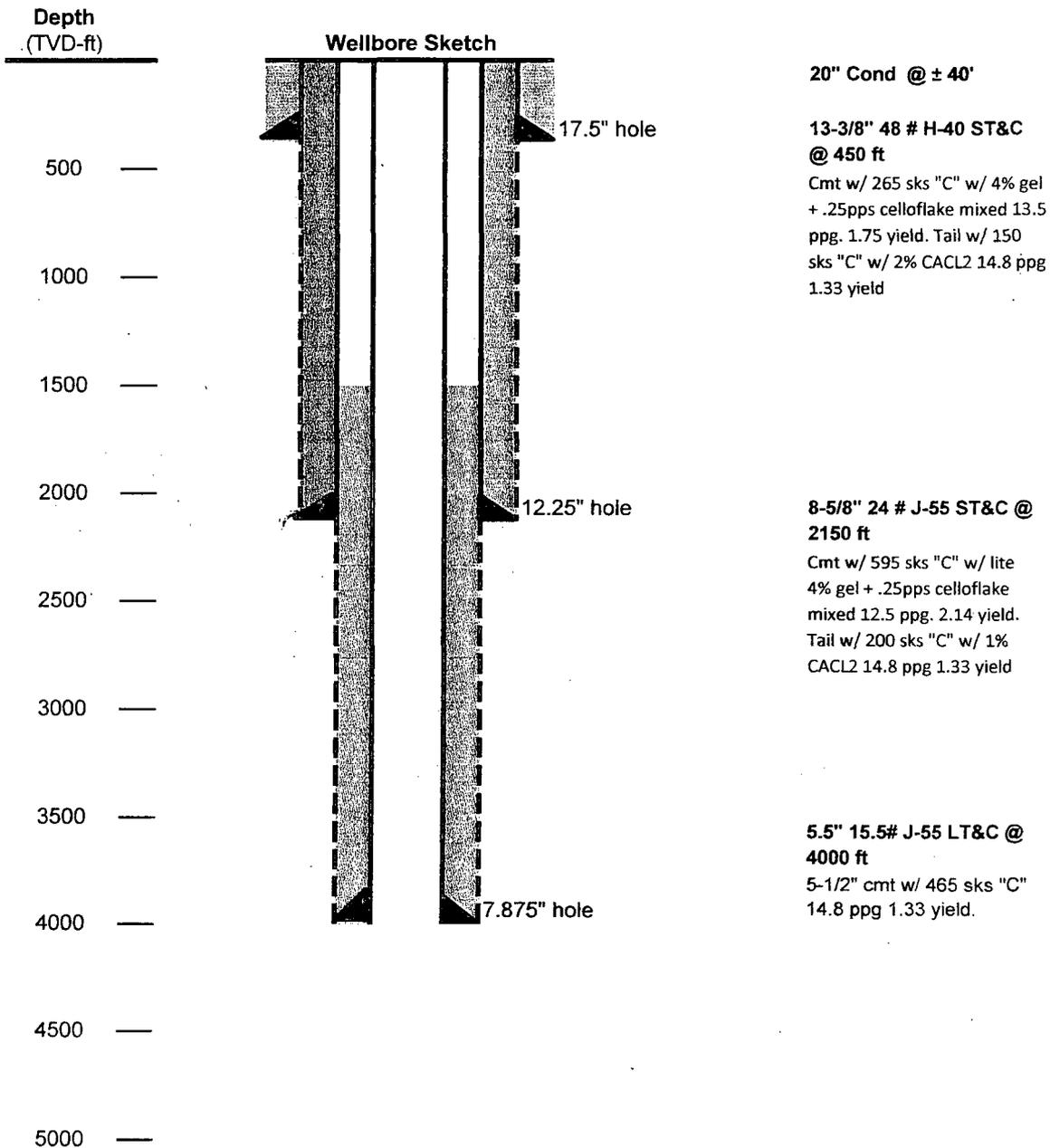
1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 450'. Run and set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 265 Sx. of Class "C" cement + 4% Bentonite, + 2% CaCl, + 0.25# celloflake/Sx. Yield 1.75, Tail in with 150 Sx. of Class "C" cement + 2% CaCl, Yield 1.34. 100% Excess circulate cement to surface.
3. Drill 12¼" hole from 450' to 2050'. Run and set 2050' of 8 5/8" 24# J-55 ST&C casing. Cement with 595 Sx. of Class "C" Lite cement 35/65 POZ + 4% Bentonite, + 5% Salt, Yield 2.16, tail in with 200 Sx. of Class "C" cement + 1% CaCl, Yield 1.33. 100% excess, circulage cement to surface.
4. Drill 7 7/8" hole from 2050' to 4000'. Run and set 4000' of 5½" 15.5# J-55 LT&C casing. Cement with 465 Sx. of Class "C" cement Yield 1.33 50% excess Estimate top of cement 1500' from surface.

Forehand 22 State # 4

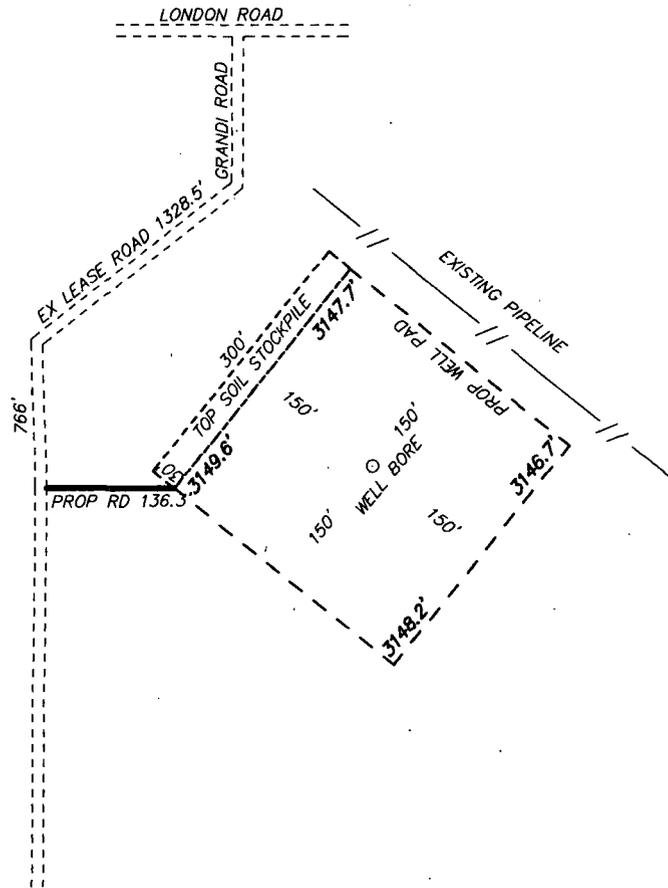
Location: NE/SE_Section 22_T23S_R27E_Eddy County, New Mexico



Well Bore Plan

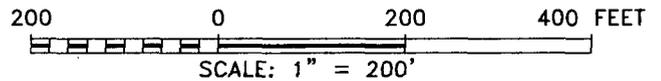


SECTION 22, TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



CAZA OPERATING LLC
 FOREHAND 22 STATE 4
 ELEV. - 3148'
 Lat - N 32°17'19.60"
 Long - W 104°10'17.88"
 NMSPC - N 468827.7
 E 591304.8
 (NAD-83)

LOVING, NM IS ±5 MILES TO THE EAST OF LOCATION.



Directions to Location:

FROM LONDON AND GRANDI, GO SOUTH ON GRANDI,
 TURN RIGHT ON LEASE ROAD 0.4 MILES TO
 PROPOSED LEASE ROAD ON LEFT.

CAZA OPERATING, LLC.

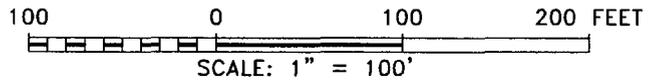
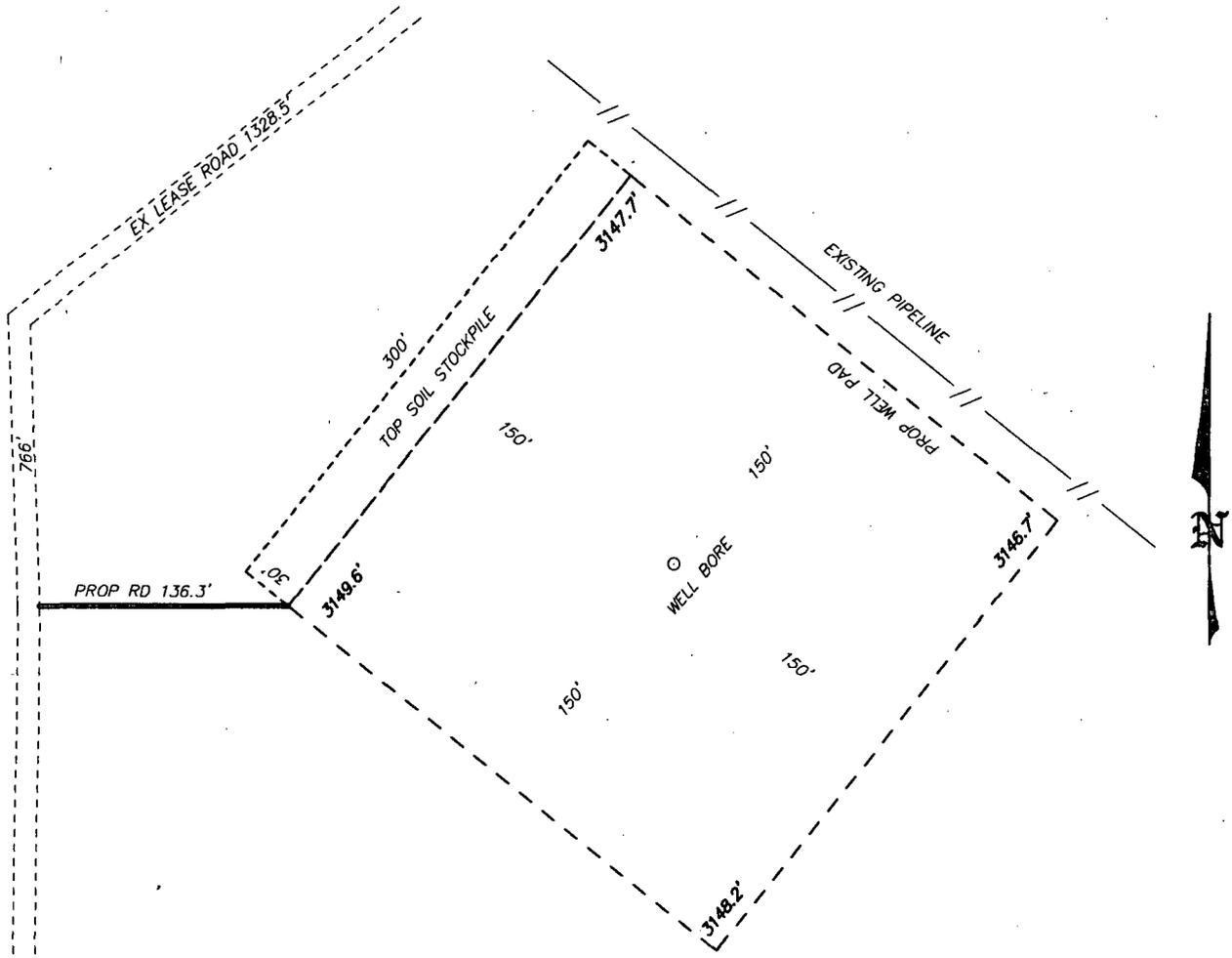
REF: FOREHAND 22 STATE 4 / WELL PAD TOPO

THE FOREHAND 22 STATE 4 LOCATED 1980' FROM
 THE SOUTH LINE AND 660' FROM THE EAST LINE OF
 SECTION 22, TOWNSHIP 23 SOUTH, RANGE 27 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.



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

SECTION 22, TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



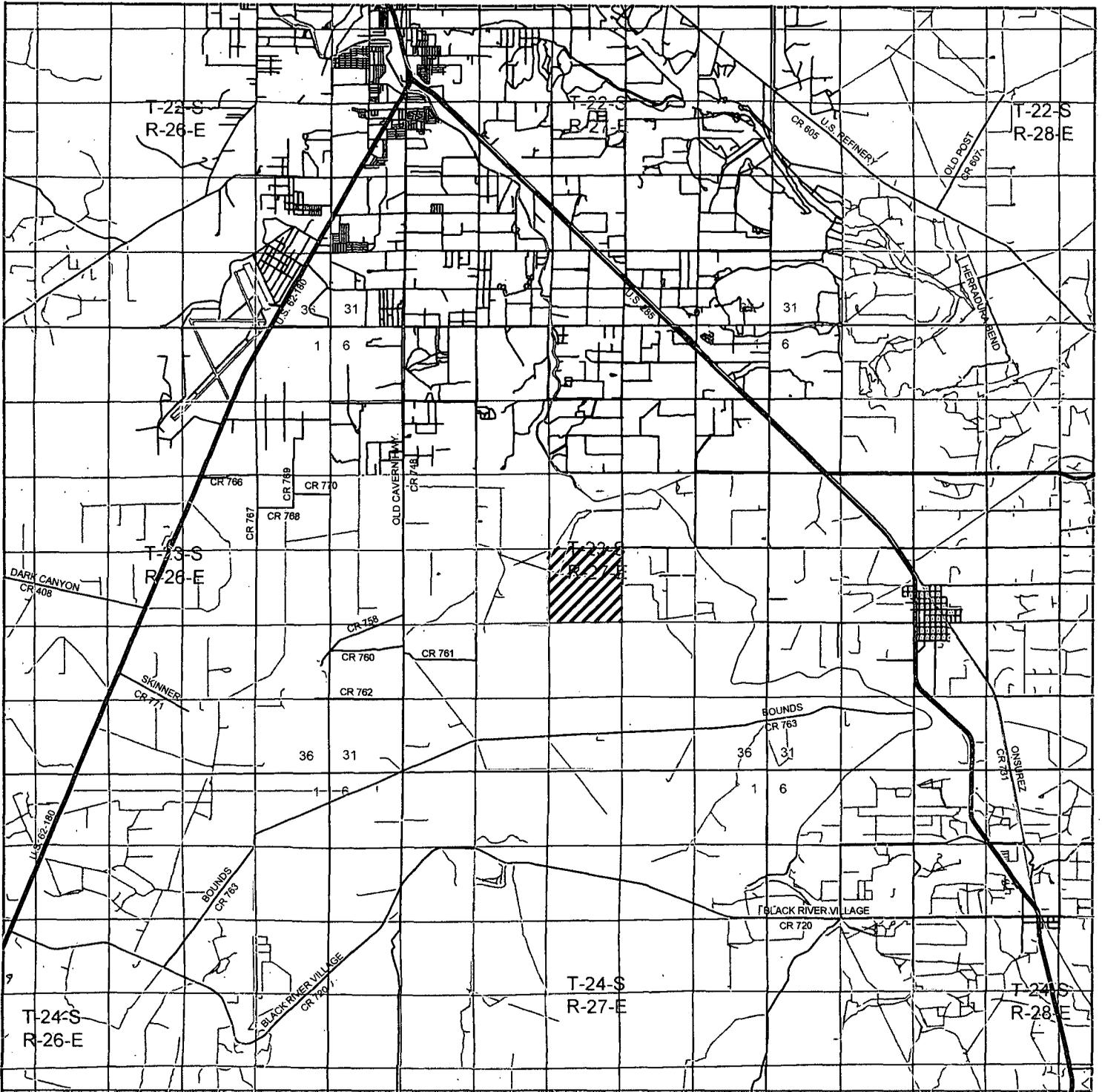
CAZA OPERATING, LLC.

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FOREHAND 22 STATE 4

Located 1980' FSL and 660' FEL
 Section 22, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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0 1 MI 2 MI 3 MI 4 MI

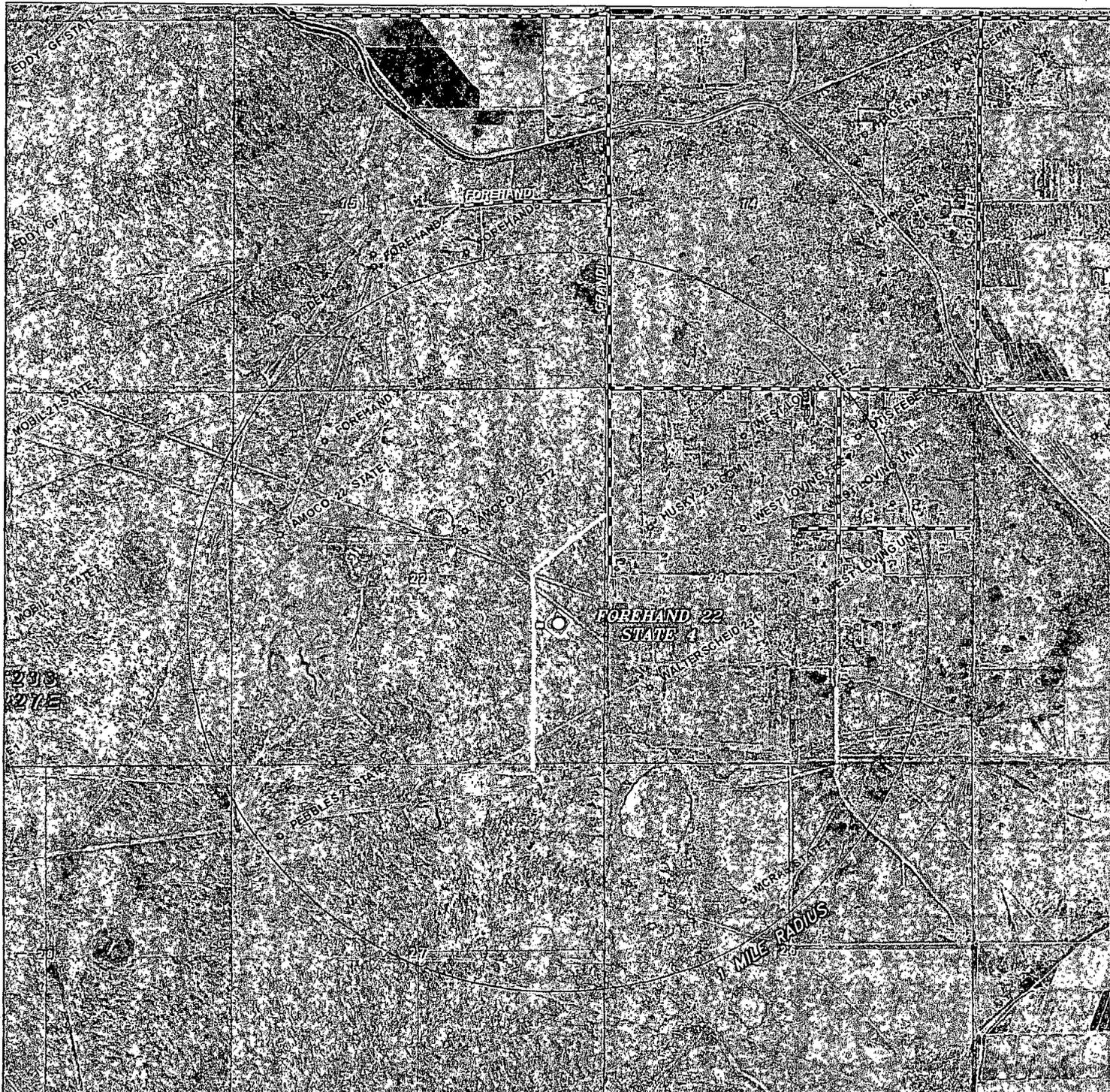
SCALE: 1" = 2 MILES

W.O. Number: KAN 30644

Survey Date: 07-01-2014

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

**CAZA
 OPERATING,
 LLC.**



FOREHAND 22 STATE 4

Located 1980' FSL and 660' FEL
 Section 22, Township 23 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: KAN 30644

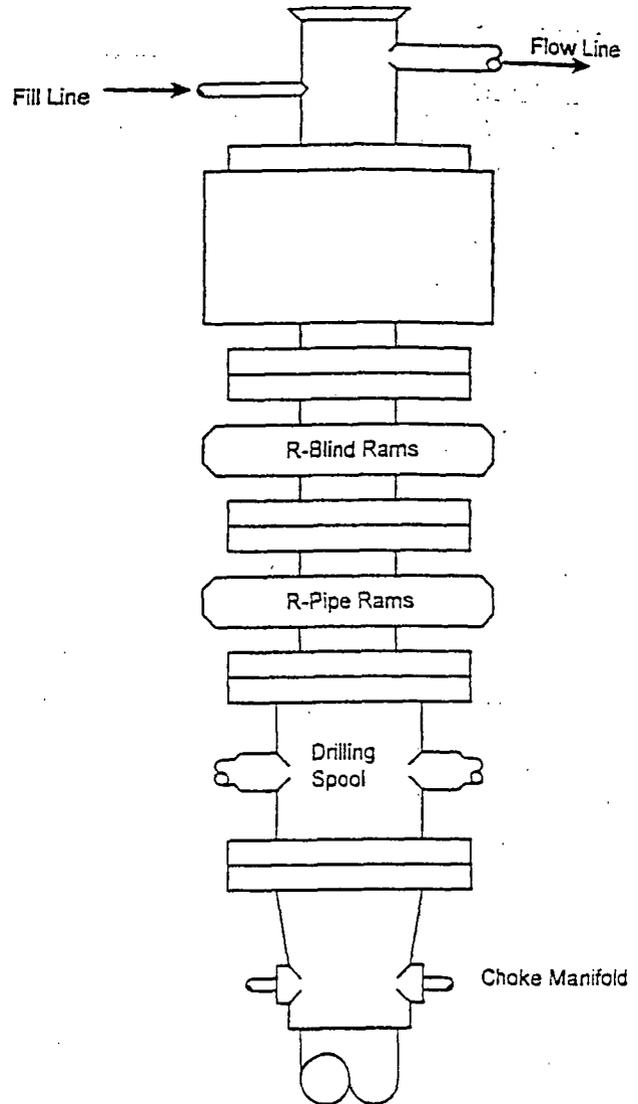
Survey Date: 07-01-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
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**CAZA
 OPERATING,
 LLC.**

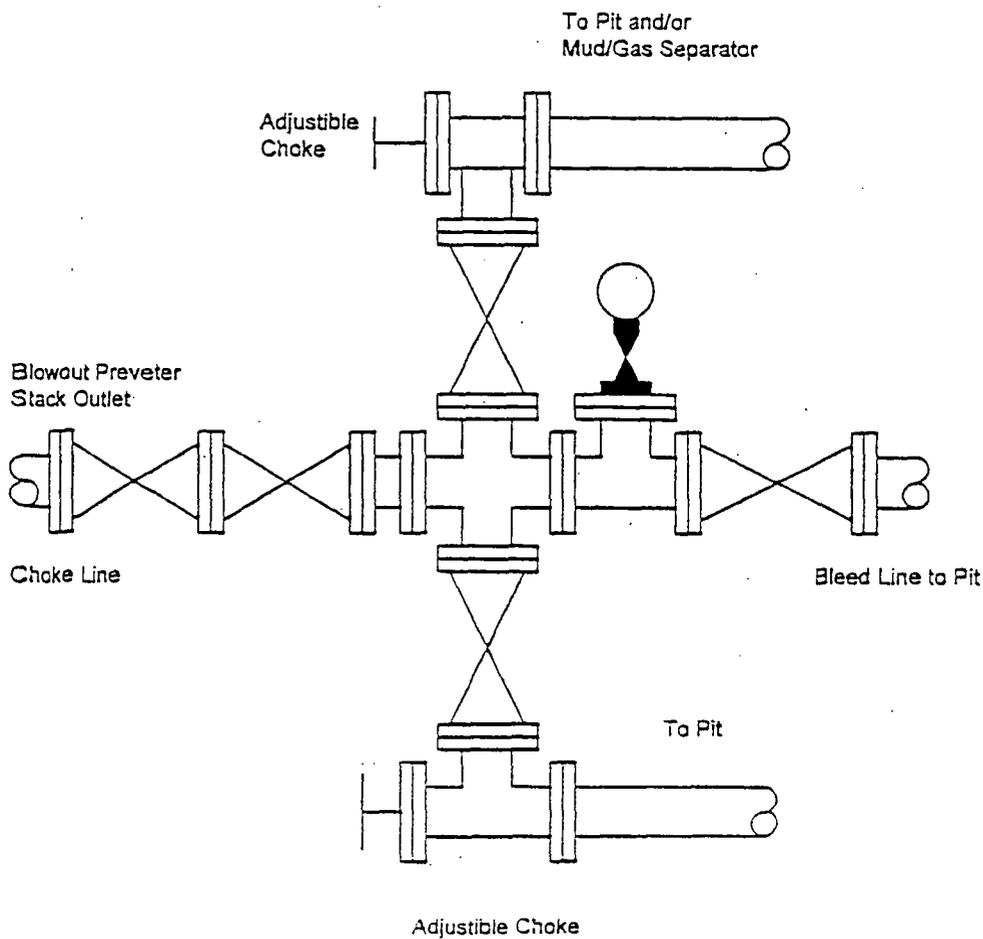
BLOWOUT PREVENTER SYSTEM

3000 PSI



Type 900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System





Forehand 22 State #4

Closed Loop Drilling System

Operations and Maintenance Plan

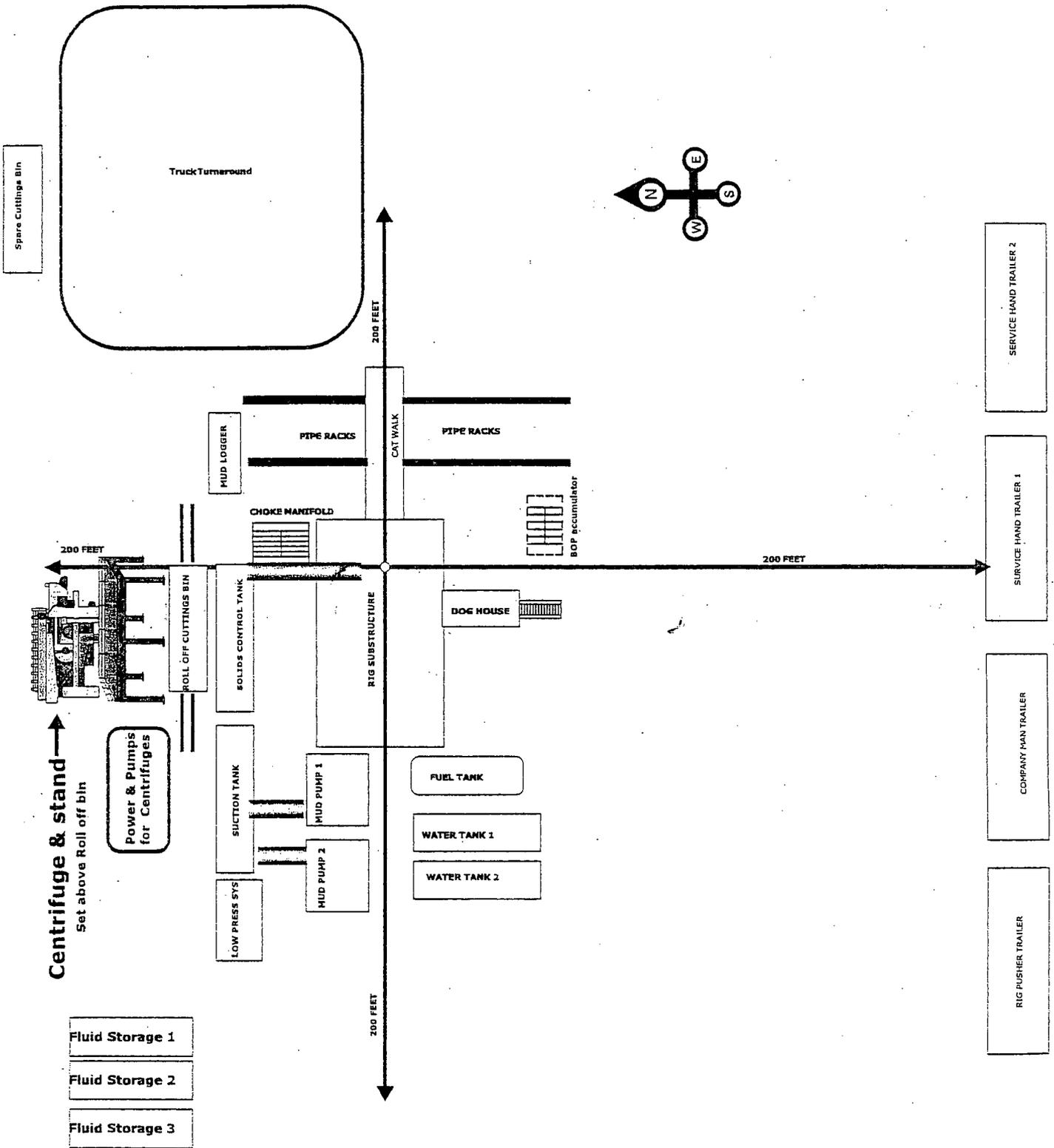
Closed Loop equipment will be inspected and monitored closely on a daily basis by each drilling rig Tour and by those hired specifically to operate the equipment. Any leak or release detected will be repaired immediately and the proper NMOCD official will be notified within the 48 hr requirement. A large release will require Caza Operating, LLC representatives to contact NMOCD immediately at the Hobbs office 575 393 6161 as stated by NMOCD rule 116.

Closure Plan

During and after drilling operations, liquids (which apply), all drill cuttings and drilling fluids will be hauled and disposed of at the R-360 disposal (permit number NM-01-0006) located about 30 miles East of Carlsbad, New Mexico. An alternate approved disposal site has been selected "Sundance" Parabo NM-01-0003 which is 5 miles East of Eunice, NM. The Second site would only be used in the event of problems with R-360 disposal.

Closed Loop Oil Well

Forehand 22 State #4



Note: The Rig and Closed System Company for this well have not been selected thus the set up shown is simply generic.