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HOBBS OCD

DISTRICT I
1625 N FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1330 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1330 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-39241	97310	Caprock Wolfcamp East

Property Code	Property Name	Well Number
37457	LUCKY PENNY "10" STATE	1H

OGRID No.	Operator Name	Elevation
249099	CAZA OPERATING, LLC	4384'

Surface Location

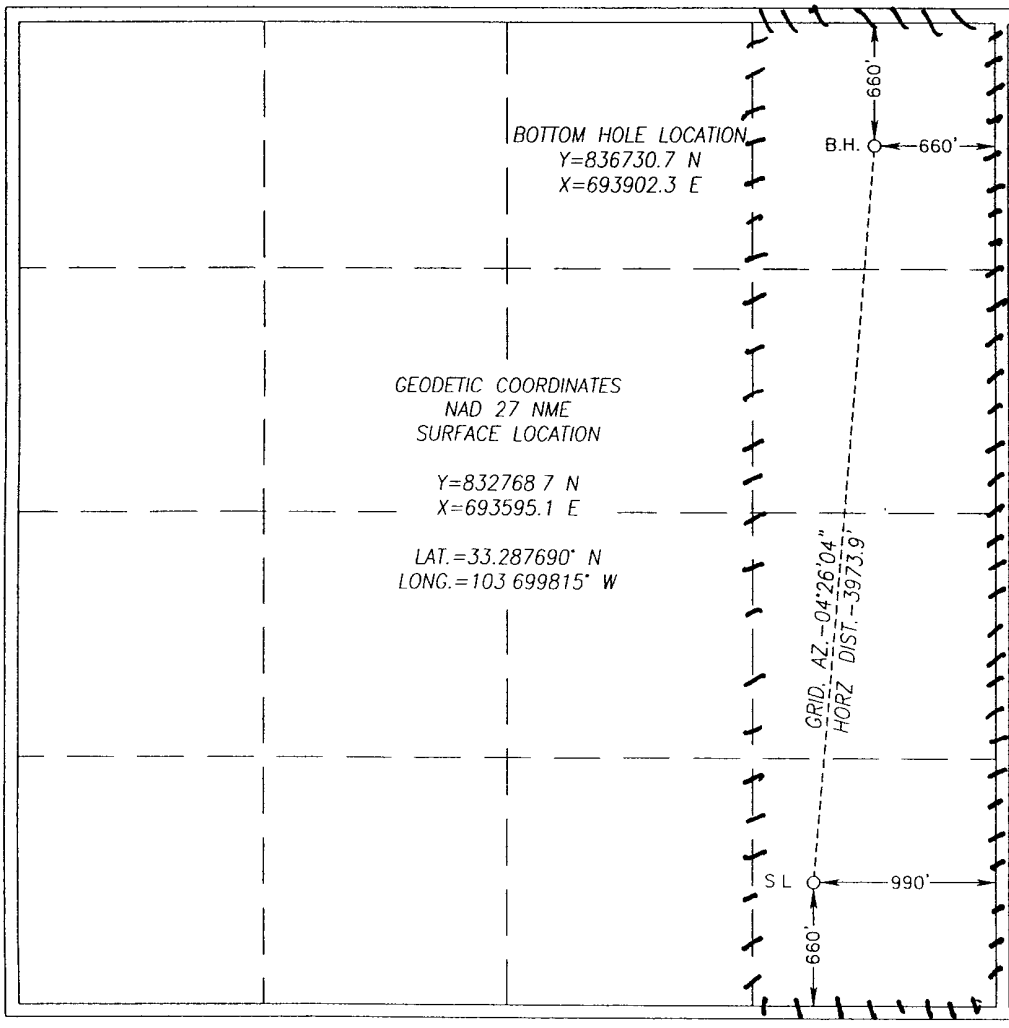
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	12-S	32-E		660	SOUTH	990	EAST	LEA

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
A	10	12-S	32-E		660	NORTH	660	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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.

Richard L. Wright 11/30/08
Signature Date

Richard L. Wright
Printed Name

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.

GARY G. EIDSON
OCTOBER 22, 2008
NEW MEXICO
12641
REGISTERED PROFESSIONAL SURVEYOR

Date Surveyed

Signature & Seal of Professional Surveyor

Gary G. Eidson 11/4/08

08.13.1925

Certificate No. GARY G. EIDSON 12641
RONALD J. EIDSON 3239

MOORE-CAP PROSPECT

LUCKY PENNY 10 STATE # 1 H

PRODUCTION CASING CEMENT PROPOSAL

WELL DATA:

JOB TYPE	PRIMARY PRODUCTION STRING CEMENT, **HORIZONTAL**
TOTAL MEASURED DEPTH	12,125 FT
TOTAL VERTICAL DEPTH	8350 FT
KOP	7875 FT
EOC	8625 FT
HOLE SIZE	8.5 INCHES THROUGH CURVE @ 8625. 7.875 TO 12,125 FT
LAST CASING SIZE	9.625 40 LB N-80

SYSTEM DATA:

TOC CALCULATION	4500 FT FS
WASHOUT CALCULATION	50% or 1.5 times the volume
9.625 inch Csg X 5.5 inch Csg volume	.261 cu ft / ft
HYDRAULIC DIAMETER 8.5 INCH HOLE	.59 CU FT / FT
HYDRAULIC DIAMETER 7.875 INCH HOLE	.507 CU FT / FT
5.5 INCH CSG OD HYDRAULICS	.165 CU FT / FT
5.5 INCH CSG ID HYDRAULICS	.1305 CU FT/FT
9.625 csg X 5.5 inch Csg Volume	500 ft X .261 = 130.5 Cu Ft
8.5 inch hole X 5.5 inch Csg volume	3625 ft X (.59-.165) = 1541 Cu Ft
7.875 inch hole X 5.5 inch Csg Volume	3500 ft X (.507 - .165) = 1197 Cu Ft
SHOE JOINT	45 ft X .1305 = 5.9 Cu Ft
TOTAL VOLUME NEEDED	(130.5 + 1541 + 1197 + 5.9) = **2875 CU FT**

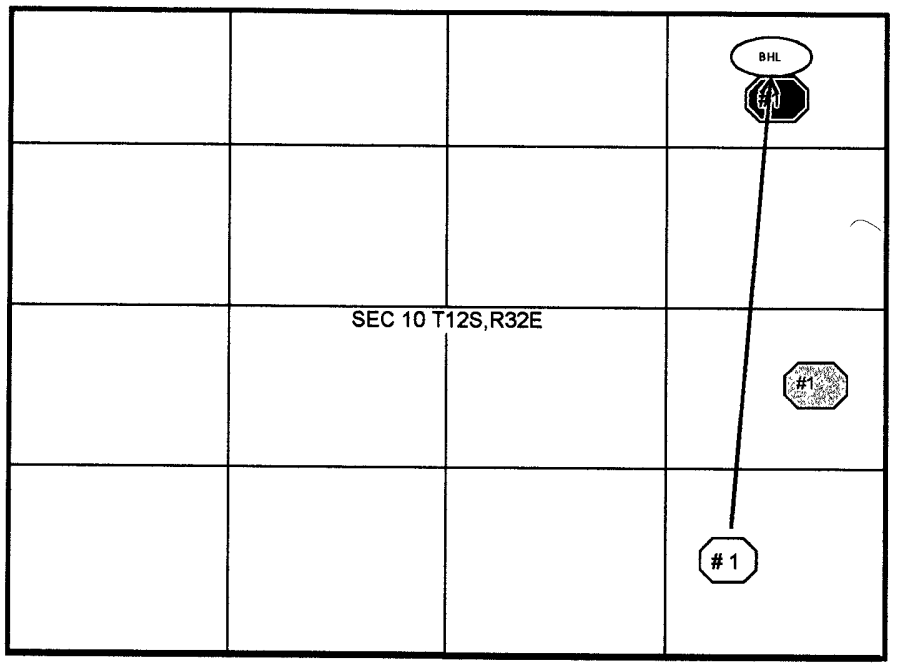
CEMENT DATA:

TYPE	TXI LIGHT
YIELD	1.25 CU FT/ SK
WEIGHT	13.5 PPG
MIX WTR	6.150 GAL/SK
THICKENING TIME EST	
12/72 HR COMPRESSIVE STRENGTH EST	
FREE WATER	
FLUID LOSS EST	
CEMENT NEED FOR 1 STAGE JOB =	**2875 cu ft / 1.25 cu ft/ Sk = 2300 Sacks Concrete**

Note: Stage tool may be necessary if Chronic Lost Returns are encountered.

Lucky Penny 10 State # 1 Wolfcamp Horizontal

Sec 10, T-12-S, R-32-E, Lea County, New Mexico



Well Name	Surface Location	Depth and Strata	Current Prod Zone	Bottom Hole Location 8350 tvd	
Lucky Penny 10 State # 1H	660 FSL & 990 FEL	TD = 10,900 Penn	Vertical in Penn	660 FNL & 660 FEL	Horizontal in Wolfcamp
Conner State # 1	660 FNL & 660 FEL	TD = 10,700 Penn	Drilled & Abandoned	Same	Elk Oil Company
State EC "G" # 1	1980 FSL & 330 FEL	TD = 10,834 Penn	P&A'd	Same	Amerada Petroleum Corp

LONG's METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION

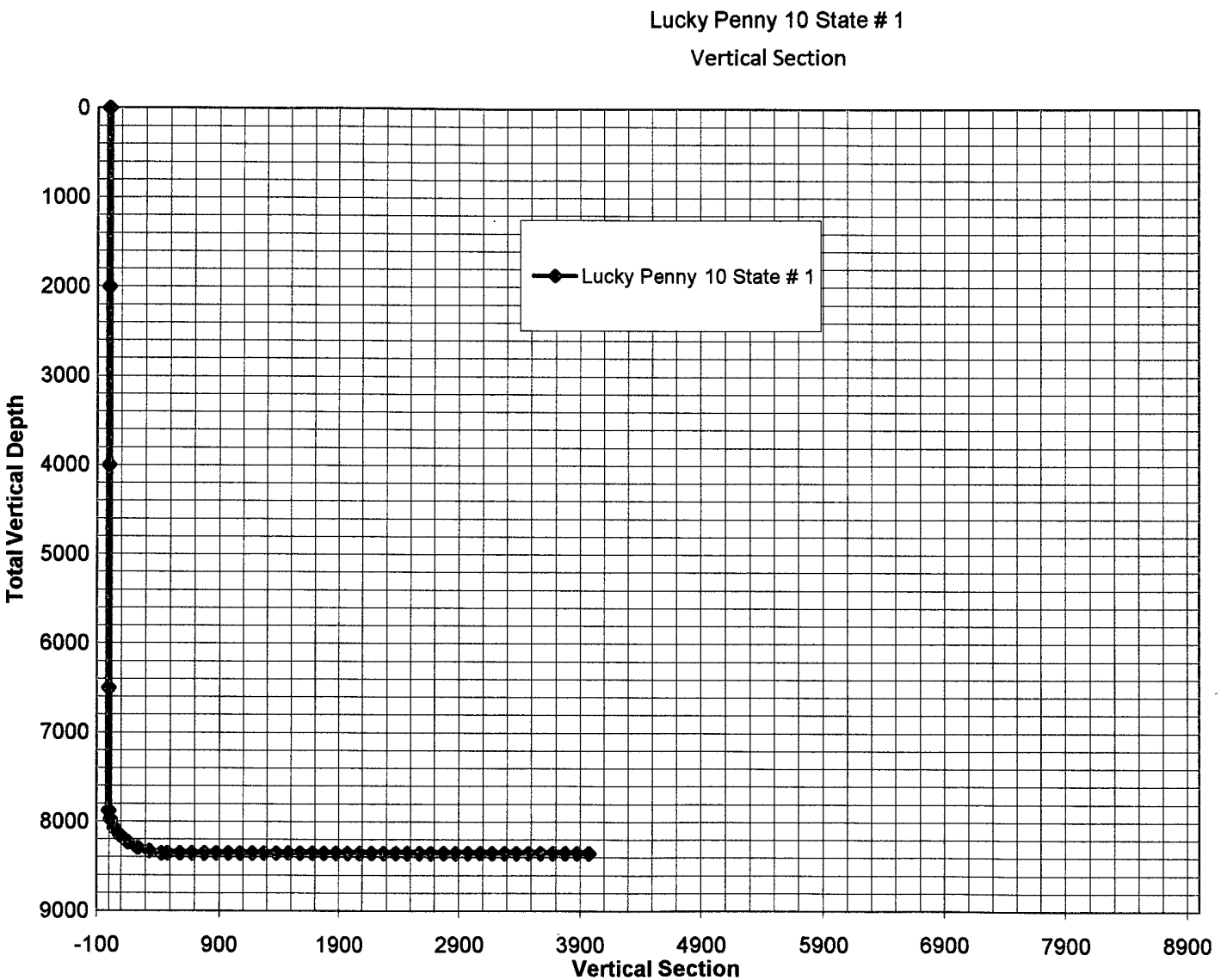
6000	MD OF INTERPOLATION DEPTH,(feet)
#N/A	TVD COORDINATE OF THE DEPTH (feet)
#N/A	N/S COORDINATE OF DEPTH (feet)
#N/A	E/W COORDINATE OF DEPTH (feet)

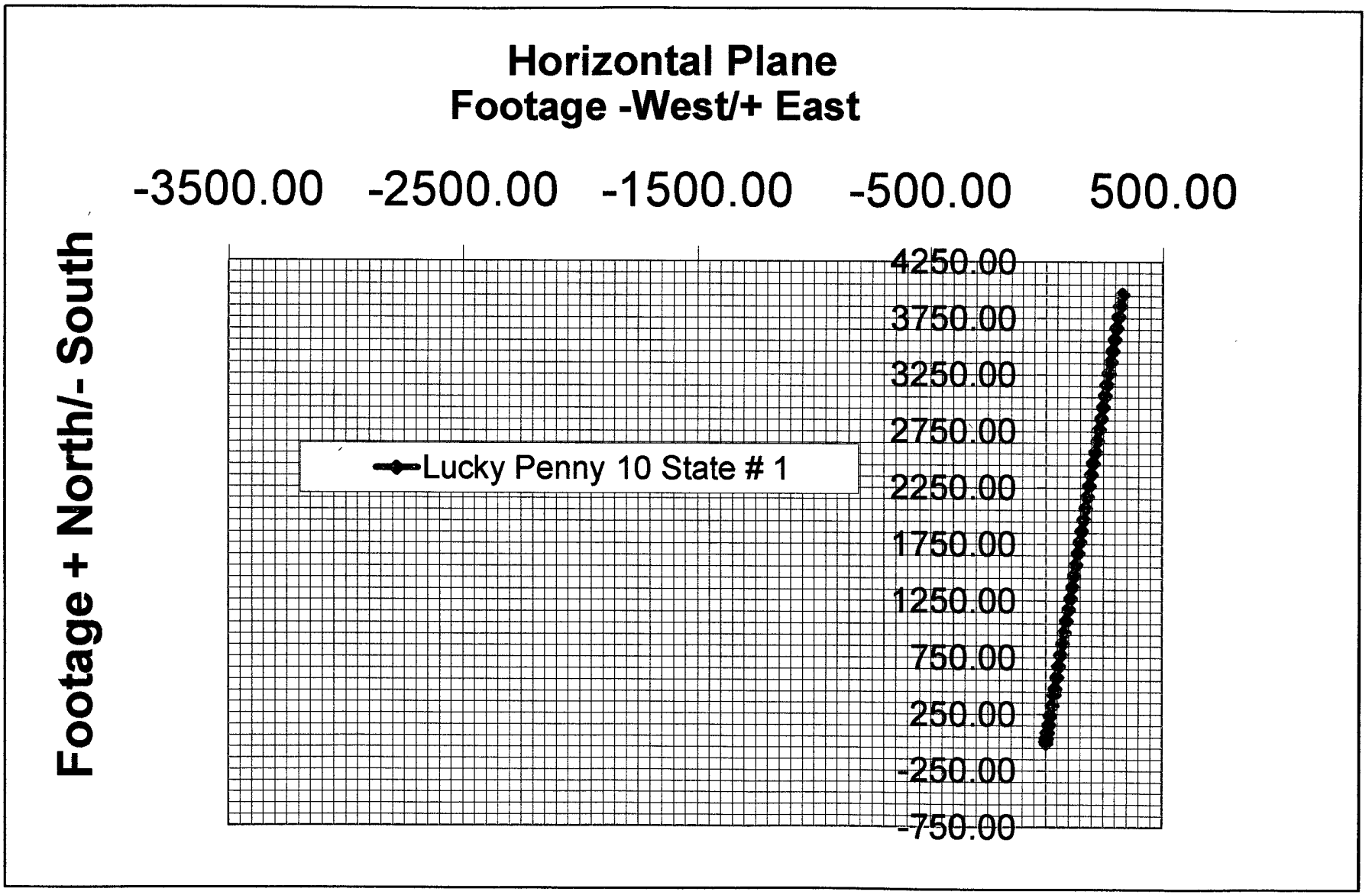
DISTANCE TABLE

STATION A	STATION B	
400.00	600.00	
300.00	400.00	
100.00	300.00	
3 D DISTANCE BETWEEN STATION A AND STATION B	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	TIE POINT ⇒	0	0	7875.00	7875.00	0.00	0.00	-
2	100	12	4.763642	7975.00	7974.27	10.40	0.87	12.00
3	100	24	4.763642	8075.00	8069.20	41.14	3.43	12.00
4	100	36	4.763642	8175.00	8155.65	90.87	7.57	12.00
5	100	48	4.763642	8275.00	8229.83	157.43	13.12	12.00
6	100	60	4.763642	8375.00	8288.50	237.91	19.83	12.00
7	100	72	4.763642	8475.00	8329.10	328.78	27.40	12.00
8	100	84	4.763642	8575.00	8349.85	426.08	35.51	12.00
9	50	90	4.763642	8625.00	8352.46	475.82	39.65	12.00
10	100	90	4.763642	8725.00	8352.46	575.47	47.96	0.00
11	100	90	4.763642	8825.00	8352.46	675.12	56.26	0.00
12	100	90	4.763642	8925.00	8352.46	774.78	64.56	0.00
13	100	90	4.763642	9025.00	8352.46	874.43	72.87	0.00
14	100	90	4.763642	9125.00	8352.46	974.09	81.17	0.00
15	100	90	4.763642	9225.00	8352.46	1073.74	89.48	0.00
16	100	90	4.763642	9325.00	8352.46	1173.40	97.78	0.00
17	100	90	4.763642	9425.00	8352.46	1273.05	106.09	0.00
18	100	90	4.763642	9525.00	8352.46	1372.71	114.39	0.00
19	100	90	4.763642	9625.00	8352.46	1472.36	122.70	0.00
20	100	90	4.763642	9725.00	8352.46	1572.02	131.00	0.00
21	100	90	4.763642	9825.00	8352.46	1671.67	139.31	0.00
22	100	90	4.763642	9925.00	8352.46	1771.33	147.61	0.00
23	100	90	4.763642	10025.00	8352.46	1870.98	155.91	0.00
24	100	90	4.763642	10125.00	8352.46	1970.63	164.22	0.00
25	100	90	4.763642	10225.00	8352.46	2070.29	172.52	0.00
26	100	90	4.763642	10325.00	8352.46	2169.94	180.83	0.00
27	100	90	4.763642	10425.00	8352.46	2269.60	189.13	0.00
28	100	90	4.763642	10525.00	8352.46	2369.25	197.44	0.00
29	100	90	4.763642	10625.00	8352.46	2468.91	205.74	0.00
30	100	90	4.763642	10725.00	8352.46	2568.56	214.05	0.00
31	100	90	4.763642	10825.00	8352.46	2668.22	222.35	0.00
32	100	90	4.763642	10925.00	8352.46	2767.87	230.66	0.00
33	100	90	4.763642	11025.00	8352.46	2867.53	238.96	0.00
34	100	90	4.763642	11125.00	8352.46	2967.18	247.27	0.00
35	100	90	4.763642	11225.00	8352.46	3066.83	255.57	0.00
36	100	90	4.763642	11325.00	8352.46	3166.49	263.87	0.00
37	100	90	4.763642	11425.00	8352.46	3266.14	272.18	0.00
38	100	90	4.763642	11525.00	8352.46	3365.80	280.48	0.00
39	100	90	4.763642	11625.00	8352.46	3465.45	288.79	0.00
40	100	90	4.763642	11725.00	8352.46	3565.11	297.09	0.00
41	100	90	4.763642	11825.00	8352.46	3664.76	305.40	0.00
42	100	90	4.763642	11925.00	8352.46	3764.42	313.70	0.00
43	100	90	4.763642	12025.00	8352.46	3864.07	322.01	0.00
44	96	90	4.763642	12121.00	8352.46	3959.74	329.98	0.00


Lucky Penny 10 State # 1
Vertical Section
Lucky Penny 10 State # 1
Total Vertical Depth
0
1000
2000
3000
4000
5000
6000
7000
8000
9000
-100
900
1900
2900
3900
4900
5900
6900
7900
8900
Vertical Section


Horizontal Plane
Footage -West/+ East
-3500.00
-2500.00
-1500.00
-500.00
500.00
Footage + North/- South
4250.00
3750.00
3250.00
2750.00
2250.00
1750.00
1250.00
750.00
250.00
-250.00
-750.00
Lucky Penny 10 State # 1

Well name:	**Lucky Penny 10 State # 1**
Operator:	**Caza Operating, LLC**
String type:	Surface
Location:	Lea County, New Mexico

Design parameters:

Collapse
Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 239 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 287 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.10

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 344 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 77 °F
Temperature gradient: 0.60 °F/100ft
Minimum section length: 400 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 5,000 ft
Next mud weight: 10.000 ppg
Next setting BHP: 2,597 psi
Fracture mud wt: 11.500 ppg
Fracture depth: 500 ft
Injection pressure 299 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400	13.375	48.00	H-40	ST&C	400	400	12.59	352.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	197	740	3.749	287	1730	6.03	17	322	19.48 J

Prepared by: Richard Wright
Phillips
Phone: 432 682 7424
FAX: 432 682 7425
Date: September 22,2008
Midland, Texas

Remarks:
Collapse is based on a vertical depth of 400 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	**Lucky Penny 10 State # 1**
Operator:	**Caza Operating, LLC**
String type:	Intermediate
Location:	Lea County, New Mexico

Design parameters:

Collapse
Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,626 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 3,226 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.10

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 4,342 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 105 °F
Temperature gradient: 0.60 °F/100ft
Minimum section length: 400 ft
Minimum Drift: 8.500 in
Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 10,900 ft
Next mud weight: 9.500 ppg
Next setting BHP: 5,379 psi
Fracture mud wt: 11.500 ppg
Fracture depth: 5,500 ft
Injection pressure 3,286 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	3300	9.625	36.00	J-55	LT&C	3300	3300	8.796	1432.4
1	1700	9.625	40.00	N-80	LT&C	5000	5000	8.75	723.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	1629	1979	1.215	3022	3520	1.16	160	453	2.82 J
1	2468	3090	1.252	3226	5750	1.78	42	737	17.68 J

Prepared by: Richard Wright
Phillips
Phone: 432 682 7424
FAX: 432 682 7425
Date: September 22,2008
Midland, Texas

Remarks:
Collapse is based on a vertical depth of 5000 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	**Lucky Penny 10 # 1H**
Operator:	**Caza Operating, LLC**
String type:	Production: Frac
Location:	Caprock Field Lea County

Design parameters:

Collapse
Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 5,446 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 6,448 psi

Annular backup: 9.00 ppg

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.10

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 7,084 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 125 °F
Temperature gradient: 0.60 °F/100ft
Minimum section length: 1,500 ft
Minimum Drift: 4.750 in
Cement top: 4,608 ft

Directional Info - Build & Hold
Kick-off point 7875 ft
Departure at shoe: 3960 ft
Maximum dogleg: 12 °/100ft
Inclination at shoe: 90.04 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	7500	5.5	17.00	N-80	LT&C	7500	7500	4.767	979
1	4608	5.5	17.00	N-80	Buttress	8350	12108	4.767	601.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	3896	6290	1.614	5455	7740	1.42	120	348	2.89 J
1	4338	6290	1.450	2840	7740	2.73	-7	397	-56.11 B

Prepared by: Richard Wright Pillips
Phone: 432 682 7424
FAX: 432 682 7425
Date: November 11,2008
Midland, Texas

Remarks:
Collapse is based on a vertical depth of 8350 ft, a mud weight of 10 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a