

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 271781<br>WELL API NUMBER<br>30-015-44621<br>5. Indicate Type of Lease<br>S<br>6. State Oil & Gas Lease No.<br><br>7. Lease Name or Unit Agreement Name<br>FOREHAND RANCH NORTH<br>22 21 STATE |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|-----------------------------|------------------|------------------------------------------------|-------------------------------------------|----------------------------------------|---------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------------------|--------------------------------------------|-----------|--------------|------|-------------------------------------------------------------------|------|--------|------|-----|---|-----|-----|------|---|--|-----|---|---|----------|------|-------|-------|-------|----|-------|---|------|------|------|---|--|------|---|---|----------|------|-------|-------|-------|----|-------|------|------|------|------|---|--|------|---|---|----------|------|-------------|-----|-----|----|------|---|-------|-----|------|---|--|------|---|---|----------|------|-------------|-----|-----|----|------|------|-------|------|------|---|--|------|---|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 1. Type of Well:<br>G                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               | 8. Well Number<br>002H                                                                                                                                                                                                                |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 2. Name of Operator<br>CAZA OPERATING, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                               | 9. OGRID Number<br>249099                                                                                                                                                                                                             |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 3. Address of Operator<br>200 N Loraine St, Suite 1550, Midland, TX 79701                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                               | 10. Pool name or Wildcat                                                                                                                                                                                                              |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 4. Well Location<br>Unit Letter <u>H</u> : <u>1480</u> feet from the <u>N</u> line and feet <u>250</u> from the <u>E</u> line<br>Section <u>22</u> Township <u>23S</u> Range <u>27E</u> NMPM _____ County <u>Eddy</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3140 GR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2" style="text-align: center;">NOTICE OF INTENTION TO:</td> <td colspan="2" style="text-align: center;">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                               |                                                                                                                                                                                                                                       | NOTICE OF INTENTION TO:                    |                              | SUBSEQUENT REPORT OF:       |                  | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/>   | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| NOTICE OF INTENTION TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                               | SUBSEQUENT REPORT OF:                                                                                                                                                                                                                 |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PLUG AND ABANDON <input type="checkbox"/>                                                                                                                                     | REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                                | ALTER CASING <input type="checkbox"/>      |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| TEMPORARILY ABANDON <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | CHANGE OF PLANS <input type="checkbox"/>                                                                                                                                      | COMMENCE DRILLING OPNS. <input type="checkbox"/>                                                                                                                                                                                      | PLUG AND ABANDON <input type="checkbox"/>  |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| PULL OR ALTER CASING <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | MULTIPLE COMPL <input type="checkbox"/>                                                                                                                                       | CASING/CEMENT JOB <input type="checkbox"/>                                                                                                                                                                                            |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| Other: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                               | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>                                                                                                                                                                     |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>6/17/2019 - Drill 17.5" hole and run 13.375" 54.5# J55 STC casing to 445'MD. Cement with 505sx 14.8ppg, 1.33 yield cement. 95sx cement to surface. Test casing to 800psi for 30 mins, test good. 6/27/2019 - Drill 12.25" hole and run 9.625" casing to 7520'MD. DV tool at 2229'. Cement stage 1 with 671sx 11.5ppg lead and 412sx 14.5pg tail. Stage 2 with 1227sx 11.5ppg lead and 160sx 14.8ppg tail. Perf casing at 1290' and cement squeeze with 1262sx 14.8ppg. Circulate 60bbls to surface. Test casing to 1500psi for 30 mins, test good. 7/26/2019 - Drill 8.5" hole and run 5.5" casing to 19,278'MD. Cem6/16/2019 Spudded well.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| <b>Casing and Cement Program</b><br><table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>06/16/19</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>0</td> <td>445</td> <td>505</td> <td>1.33</td> <td>C</td> <td></td> <td>800</td> <td>0</td> <td>N</td> </tr> <tr> <td>06/26/19</td> <td>Int1</td> <td>Brine</td> <td>12.25</td> <td>9.625</td> <td>40</td> <td>HCL80</td> <td>0</td> <td>7182</td> <td>2699</td> <td>2.65</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>06/27/19</td> <td>Int1</td> <td>Brine</td> <td>12.25</td> <td>9.625</td> <td>47</td> <td>HCL80</td> <td>7182</td> <td>7520</td> <td>1083</td> <td>1.33</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>07/27/19</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>5.5</td> <td>20</td> <td>P110</td> <td>0</td> <td>19278</td> <td>996</td> <td>2.65</td> <td>H</td> <td></td> <td>8000</td> <td>0</td> <td>N</td> </tr> <tr> <td>07/27/19</td> <td>Prod</td> <td>OilBasedMud</td> <td>8.5</td> <td>5.5</td> <td>20</td> <td>P110</td> <td>9500</td> <td>19278</td> <td>2347</td> <td>1.65</td> <td>H</td> <td></td> <td>8000</td> <td>0</td> <td>N</td> </tr> </tbody> </table> |                                                                                                                                                                               |                                                                                                                                                                                                                                       | Date                                       | String                       | Fluid Type                  | Hole Size        | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                      | Yield                                            | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 06/16/19     | Surf | FreshWater                                                        | 17.5 | 13.375 | 54.5 | J55 | 0 | 445 | 505 | 1.33 | C |  | 800 | 0 | N | 06/26/19 | Int1 | Brine | 12.25 | 9.625 | 40 | HCL80 | 0 | 7182 | 2699 | 2.65 | C |  | 1500 | 0 | N | 06/27/19 | Int1 | Brine | 12.25 | 9.625 | 47 | HCL80 | 7182 | 7520 | 1083 | 1.33 | C |  | 1500 | 0 | N | 07/27/19 | Prod | OilBasedMud | 8.5 | 5.5 | 20 | P110 | 0 | 19278 | 996 | 2.65 | H |  | 8000 | 0 | N | 07/27/19 | Prod | OilBasedMud | 8.5 | 5.5 | 20 | P110 | 9500 | 19278 | 2347 | 1.65 | H |  | 8000 | 0 | N |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | String                                                                                                                                                                        | Fluid Type                                                                                                                                                                                                                            | Hole Size                                  | Csg Size                     | Weight lb/ft                | Grade            | Est TOC                                        | Dpth Set                                  | Sacks                                  | Yield                                 | Class                                        | 1" Dpth                                    | Pres Held                                        | Pres Drop                                 | Open Hole                                     |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 06/16/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                                            | 17.5                                       | 13.375                       | 54.5                        | J55              | 0                                              | 445                                       | 505                                    | 1.33                                  | C                                            |                                            | 800                                              | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 06/26/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Int1                                                                                                                                                                          | Brine                                                                                                                                                                                                                                 | 12.25                                      | 9.625                        | 40                          | HCL80            | 0                                              | 7182                                      | 2699                                   | 2.65                                  | C                                            |                                            | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 06/27/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Int1                                                                                                                                                                          | Brine                                                                                                                                                                                                                                 | 12.25                                      | 9.625                        | 47                          | HCL80            | 7182                                           | 7520                                      | 1083                                   | 1.33                                  | C                                            |                                            | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 07/27/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Prod                                                                                                                                                                          | OilBasedMud                                                                                                                                                                                                                           | 8.5                                        | 5.5                          | 20                          | P110             | 0                                              | 19278                                     | 996                                    | 2.65                                  | H                                            |                                            | 8000                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| 07/27/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Prod                                                                                                                                                                          | OilBasedMud                                                                                                                                                                                                                           | 8.5                                        | 5.5                          | 20                          | P110             | 9500                                           | 19278                                     | 2347                                   | 1.65                                  | H                                            |                                            | 8000                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |                                                                                                                                                                                                                                       |                                            |                              |                             |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>Engineer</u></td> <td>DATE</td> <td><u>9/10/2019</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Steve Morris</u></td> <td>E-mail address</td> <td><u>steve.morris@morcoreengineering.com</u></td> <td>Telephone No.</td> <td><u>432-201-3031</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                               |                                                                                                                                                                                                                                       | SIGNATURE                                  | <u>Electronically Signed</u> | TITLE                       | <u>Engineer</u>  | DATE                                           | <u>9/10/2019</u>                          | Type or print name                     | <u>Steve Morris</u>                   | E-mail address                               | <u>steve.morris@morcoreengineering.com</u> | Telephone No.                                    | <u>432-201-3031</u>                       |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| SIGNATURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>Electronically Signed</u>                                                                                                                                                  | TITLE                                                                                                                                                                                                                                 | <u>Engineer</u>                            | DATE                         | <u>9/10/2019</u>            |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| Type or print name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>Steve Morris</u>                                                                                                                                                           | E-mail address                                                                                                                                                                                                                        | <u>steve.morris@morcoreengineering.com</u> | Telephone No.                | <u>432-201-3031</u>         |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Raymond Podany</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>9/10/2019 7:51:34 AM</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |                                                                                                                                                                                                                                       | APPROVED BY:                               | <u>Raymond Podany</u>        | TITLE                       | <u>Geologist</u> | DATE                                           | <u>9/10/2019 7:51:34 AM</u>               |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |
| APPROVED BY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>Raymond Podany</u>                                                                                                                                                         | TITLE                                                                                                                                                                                                                                 | <u>Geologist</u>                           | DATE                         | <u>9/10/2019 7:51:34 AM</u> |                  |                                                |                                           |                                        |                                       |                                              |                                            |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |     |   |     |     |      |   |  |     |   |   |          |      |       |       |       |    |       |   |      |      |      |   |  |      |   |   |          |      |       |       |       |    |       |      |      |      |      |   |  |      |   |   |          |      |             |     |     |    |      |   |       |     |      |   |  |      |   |   |          |      |             |     |     |    |      |      |       |      |      |   |  |      |   |   |

**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 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) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Comments  
  
Permit 271781

**DRILLING COMMENTS**

|                                                                           |                          |
|---------------------------------------------------------------------------|--------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099         |
|                                                                           | Permit Number:<br>271781 |
|                                                                           | Permit Type:<br>Drilling |

**Comments**

| Created By | Comment                             | Comment Date |
|------------|-------------------------------------|--------------|
| rpodany    | Incomplete..... time pressure held. | 9/10/2019    |