

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ ☐ Gas Well ☐ Other2. Name of Operator **Caza Operating, LLC**3a. Address
200 North Loraine, Suite 1550, Midland, Texas 797013b. Phone No (include area code)
432 682 74244. Location of Well (Footage, Sec, T, R, M, or Survey Description)
252' FNL & 1900 FEL, Sec 27, T-23-S, R-27-E5. Lease Serial No.
NM-112915 SL VB 1139

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
CA-NM 286678. Well Name and No
Forehand Ranch 27 State Com # 1H9. API Well No
30 015 3984410. Field and Pool, or Exploratory Area
Wildcat, Bone Spring11. County or Parish, State
Eddy County, New Mexico

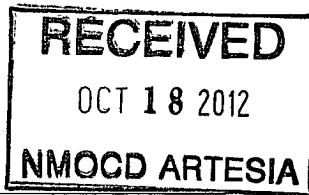
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Caza Operating Request a variance to the plug back slurry submitted in the revised casing design. We will use this slurry in conjunction with a oriented open hole whipstock. The whipstock will be used in lieu of a high strength kick off plug. We've determined this is the most economic way to Kick off the horizontal portion of the well. Attached is the plug recipe and strengths. Plug will be set through whipstock once it has been oriented & anchored via 2-3/8" tubing tail Pipe hung below whipstock.

Accepted for record

NMOCD-105
10/17/2012SEE ATTACHED FOR
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Richard L. Wright

Title Operation Manager

Signature

Date 10-15-2012

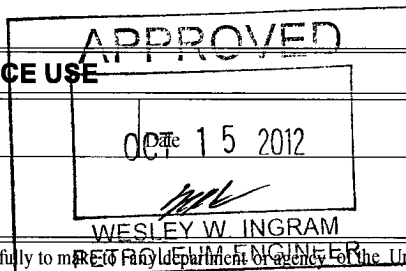
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office



Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Proposal No: 847250289A

**CAZA OPERATING LLC
FOREHAND RANCH `27` STATE COM 1H**

API # 30-015-39844-0000
FOREHAND RANCH Field
27B-23S-27E
Eddy County, New Mexico
October 10, 2012

Cement Proposal

Prepared for:
Richard Wright

Prepared by:
Bud Roberts
Field Engineer

Service Point:
BJS, ARTESIA
Bus Phone: 505-7463140
Fax: 575-746-2235

Service Representatives:
MATTHEW A POST
Account Manager
Houston, Texas

Powered by
PowerVision

Operator Name: CAZA OPERATING LLC
Well Name: FOREHAND RANCH '27' STATE COM 1H
Job Description: Plug (9,200 - 6,800)
Date: October 10, 2012



Proposal No: 847250289A

JOB AT A GLANCE

Depth (TVD)	9,200 ft
Depth (MD)	9,200 ft
Hole Size	8.75 in
Pump Via	Drill Pipe 4 1/2" O.D. (3.640" I.D) 20
Total Mix Water Required	4,715 gals
Slurry	
Class C	755 sacks
Density	14.8 ppg
Yield	1.33 cf/sack
Displacement	
Displacement	84 bbls

Operator Name: CAZA OPERATING LLC
Well Name: FOREHAND RANCH '27' STATE COM 1H
Job Description: Plug (9,200 - 6,800)
Date: October 10, 2012



Proposal No: 847250289A

FLUID SPECIFICATIONS

<u>PLUG NO.</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
1	1006	1.33	= 755 sacks Class C Cement + 0.2% bwoc FL-52 + 1% bwoc FL-62 + 0.3% bwoc CD-32 + 55.4% Fresh Water
Displacement			= 84.4 bbls Displacement

CEMENT PROPERTIES

	<u>PLUG NO.1</u>
Slurry Weight (ppg)	14.80
Slurry Yield (cf/sack)	1.33
Amount of Mix Water (gps)	6.24
Estimated Pumping Time - 70 BC (HH:MM)	3:23
<u>COMPRESSIVE STRENGTH</u>	
4.75 hrs @ 166 ° F (psi)	500
8 hrs @ 166 ° F (psi)	1044
12 hrs @ 166 ° F (psi)	1389
24 hrs @ 166 ° F (psi)	1782

RHEOLOGIES

<u>PLUG NO.</u>	<u>TEMP</u>	<u>600</u>	<u>300</u>	<u>200</u>	<u>100</u>	<u>6</u>	<u>3</u>
1	@ 80 ° F	180	105	75	44	10	9

PLUG GEOMETRY

	<u>PLUG TOP</u>		<u>PLUG BOTTOM</u>	
1	6800 ft	to	9200 ft	with 8.75 inch Open Hole

Operator:
Well Name:
Date:

CAZA OPERATING LLC
FOREHAND RANCH '27' STATE COM 1H
October 10, 2012



Proposal No: 847250289A

PRODUCT DESCRIPTIONS

CD-32

A patented, free-flowing, water soluble polymer that is an efficient and effective dispersant for primary and remedial cementing.

Class C Cement

Intended for use from surface to 6000 ft., and for conditions requiring high early strength and/or sulfate resistance.

FL-52

A water soluble, high molecular weight fluid loss additive used in medium to low density slurries. It is functional from low to high temperature ranges.

FL-62

A patented dry blend of water soluble polymers that are formulated to control the loss of fluid during cementing operations. A dispersant and bonding additive are proportioned to deliver consistent performance and control fluid loss in primary and squeeze cementing applications at low to moderate temperatures.

Forehand Ranch 27 State Com 1H

30-015-39844

Caza Operating, LLC

October 15, 2012

Conditions of Approval

- 1. The Communitization Agreement number for this well is NMNM-128667, but this agreement has not been approved.**
- 2. The procedure for this whipstock and plug indicates that there is a possibility that if the pipe is moved more than 12" to verify the shear that it may be difficult to re-enter the whipstock bore to pump the cement plug. Therefore, the operator shall set a neat Class H cement plug at the bottom of the hole from 9200' – 8900' to cover the top of the Wolfcamp formation. Contact BLM 575-361-2822 for a witness of the tag at 8900' or shallower.**
- 3. After tag of Wolfcamp plug, operator is approved to install the whipstock system and place a cement plug using the tail pipe. However, since the depth is still greater than 7500' – Class H cement is required. The Class C cement proposed is not approved.**

WWI 101512