

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD ArtesiaFORM 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, LLC3a 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-E

RECEIVED

OCT 18 2012

5 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
NM 28667 1286678 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, LLC request a variance for an unexpected change of equipment on Sandia Rig # 4. Our approved Flex hose from the HCR valve going to the choke manifold in the APD has failed BLM visual inspection and must be replaced. The new hose is a Midwest Hose & Specialty Inc 30 ft (4-31/32" OD x 3-1/2" ID) armor coated flex hose. It has 4-1/16" 5K flanged ends. The Serial number is 8685. Assembly number is 133431-1. Test & Working pressure shows to be 5K. This Hose was purchased by Sandia Drilling of Texas 12/30/2011. The PO number is 113261. No Anchors Required but we have added braces for support.

Attached is the Internal Hydrostatic test certificate & Chart from the manufacturer.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Richard L. Wright

Title Operation Manager

Signature

Richard L. Wright

Date 10-5-2012

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

APPROVED

OCT 5 2012

WESLEY W. INGRAM

PETROLEUM ENGINEER

Title 18 USC Section 1001 and Title 43 USC 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.

(Instructions on page 2)



Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST CERTIFICATE

Customer: ODESSA		Customer P.O. Number: 113261
HOSE SPECIFICATIONS		
Type: Rotary / CHOKE AND KILL GRADE D / API 7K		Hose Length: 30 FEET
I.D. 3.5 INCHES	O.D. 4 31/32 INCHES	
WORKING PRESSURE 5,000 PSI	TEST PRESSURE 5,000 PSI	BURST PRESSURE N/A PSI
COUPLINGS		
Part Number D3.5X64WB D3.5X64WB	Stem Lot Number 2Q11LOT 2Q11LOT	Ferrule Lot Number 2Q11LOT1 2Q11LOT1
Type of Coupling: Swage-It	Die Size: 5.56 INCHES	
PROCEDURE		
<i>Hose assembly pressure tested with water at ambient temperature.</i>		
TIME HELD AT TEST PRESSURE 1 1/2 MIN.		ACTUAL BURST PRESSURE: N/A PSI
Hose Assembly Serial Number: 133431-1	Hose Serial Number: 8685	
Comments:		
Date: 12/30/2011	Tested: Zac McConnell	Approved: Kim Thomas



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

December 30, 2011

Customer: Odessa

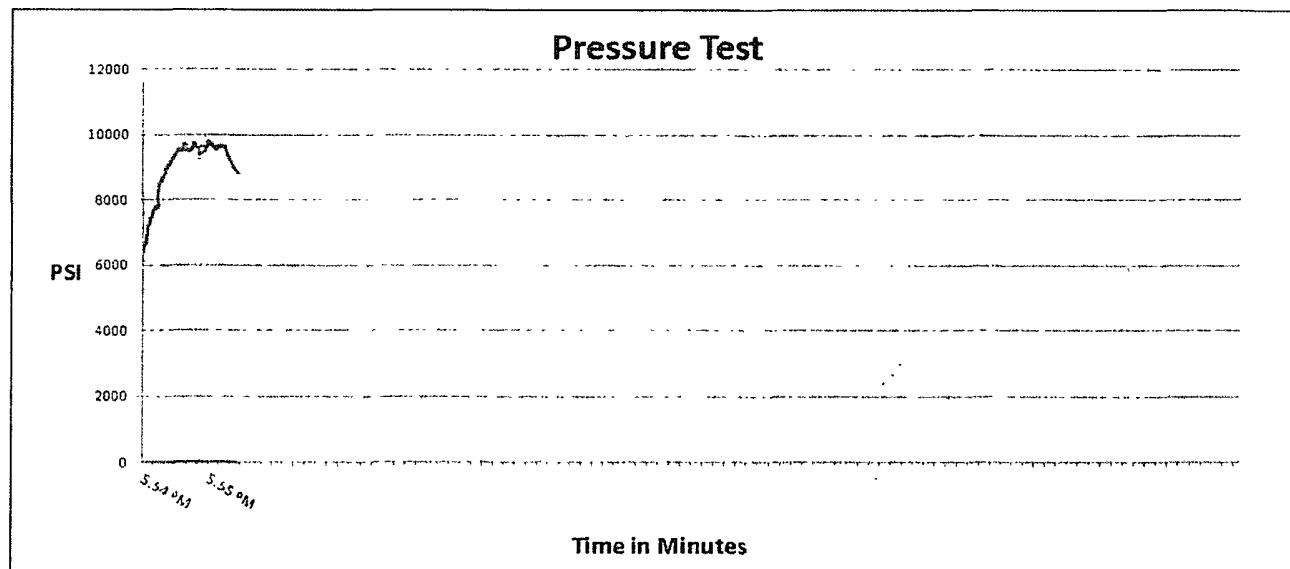
Pick Ticket #: 133431 1

Hose Specifications

<u>Hose Type</u>	<u>Length</u>
D	30'
<u>I.D.</u>	<u>O.D.</u>
3.5"	4 31/32
<u>Working Pressure</u>	<u>Burst Pressure</u>
5000 PSI	Standard Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
4 1/16 SK FL	Swage
<u>Die Size</u>	<u>Final O.D.</u>
5.56	5 1/2
<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
8685	113261-1



Test Pressure
5000 PSI

Time Held at Test Pressure
1 2/4 Minutes

Actual Burst Pressure

Peak Pressure
5346 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Zachary McConnell

Zac McConnell

Approved By: Kim Thomas

Kim Thomas

Forehand Ranch 27 State Com 1H

30-015-39844

Caza Operating, LLC

October 5, 2012

Conditions of Approval

1. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
2. A review of the approved APD indicated no reference to a previous variance request or approval for a flex hose.

WWI 100512