

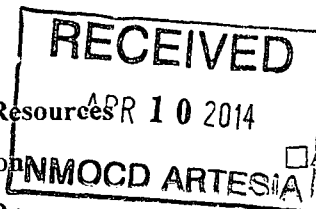
**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
311 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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



Form C-101  
Revised July 18, 2013

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address <b>CAZA OPERATING, LLC.</b> 200 NORTH LORAIN SUITE 1550 MIDLAND, TEXAS 79701		<sup>2</sup> OGRID Number 249099
<sup>3</sup> Property Code <b>40499</b>		<sup>4</sup> API Number <b>30-015-42307</b>
<sup>5</sup> Property Name FOREHAND "22" STATE		<sup>6</sup> Well No. <b>1</b>

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
0	22	23S	27E		660'	SOUTH	1980'	EAST	EDDY

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

**9. Pool Information**

<b>Cass Draw</b>	<sup>10</sup> Pool Name FOREHAND RANCH-DELAWARE	<sup>11</sup> Pool Code 10410	<sup>12</sup> Pool Code 24670
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**Additional Well Information**

<sup>13</sup> Work Type N	<sup>14</sup> Well Type O	<sup>15</sup> Cable/Rotary ROTARY	<sup>16</sup> Lease Type S	<sup>17</sup> Ground Level Elevation 3158'
<sup>18</sup> Multiple NO	<sup>19</sup> Proposed Depth 4000'	<sup>20</sup> Formation DELAWARE	<sup>21</sup> Contractor CAPSTAR	<sup>22</sup> Spud Date WHEN APPROVED
Depth to Ground water 100'		Distance from nearest fresh water well .5 miles East Northeast		Distance to nearest surface water No known surface water near

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

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	48#	450'	415 Sx.	SURFACE
Intermed.	11"	8 5/8"	24#	2050'	616 Sx.	SURFACE
Prod.	7 7/8"	5 1/2"	15.5#	4000'	465 Sx.	1500' from surface

**Casing/Cement Program: Additional Comments**

SEE ATTACHED SHEET

**22. Proposed Blowout Prevention Program**

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

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable

Signature: *Joe T. Janica*

Printed name: Joe T. Janica

Title: Permit Eng.

E-mail Address: joejanica@valornet.com

Date: 04/08/14

Phone: 575-391-8503

**OIL CONSERVATION DIVISION**

Approved By:

Title:

Approved Date: 4-10-2014

Expiration Date: 4-10-2016

Conditions of Approval Attached

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 450'. Run and set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 265 Sx. of Class "C" cement + 4% Bentonite, + 2% CaCl, + 0.25# Celo Flakes/Sx. Yield 1.75 , tail in with 150 Sx. of Class "C" cement + 2% CaCl, Yield 1.33. 100% Excess, circulate cement to surface.
3. Drill 11" hole to 2050'. Run and set 2050' of 8 5/8" 24# J-55 ST&C casing. Cement with 416 Sx. of Class "C" 35/65 POZ cement + 4% Bentonite, + 5% Salt, Yield 2.16, tail in with 200 Sx. of Class "C" cement + 1% CaCl, Yield 1.33. 100% Excess from 2050' to 450'. Circulate cement to surface.
4. Drill 7 7/8" hole to 4000'. Run and set 4000' of 5½" 15.5# K-55 LT&C casing. Cement with 465 Sx. of Class "C" cement, Yield 1.33 50% Excess from 4000' to 1500'. Estimate top of cement 1500'.

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-42307</b>	Pool Code <b>24670 10410</b>	Pool Name <b>Cass Draw</b> <del>FOREHAND RANCH</del> -DELAWARE
Property Code <b>40499</b>	Property Name <b>FOREHAND 22 STATE</b>	Well Number <b>1</b>
OGRID No. <b>249099</b>	Operator Name <b>CAZA OPERATING, LLC</b>	Elevation <b>3158'</b>

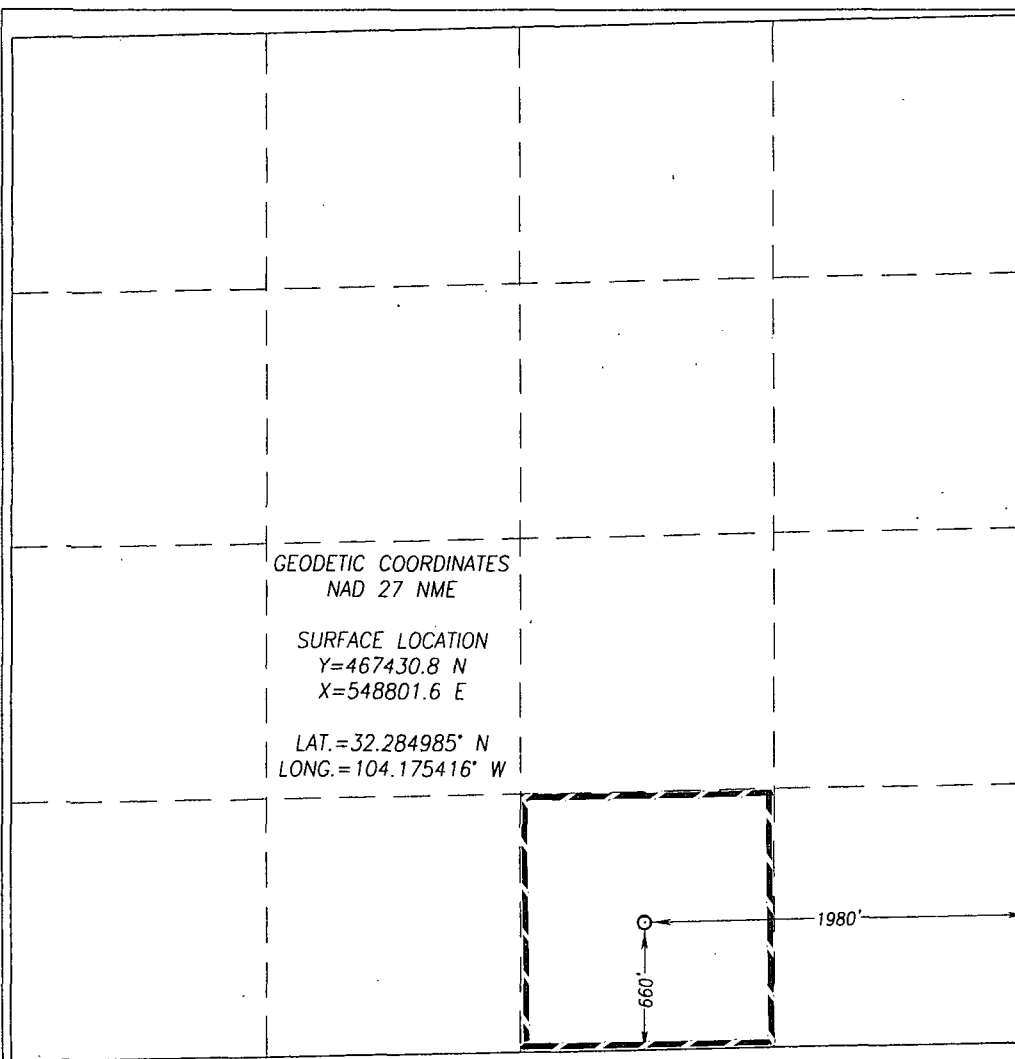
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	23-S	27-E		660	SOUTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Joe T. Janica*  
Signature Date  
**Joe T. Janica 04/08/14**  
Printed Name  
**joejanica@valornet.com**  
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 13, 2014

Date of Survey  
Signature & Seal of Professional Surveyor:

**GARY G. EIDSON**  
NEW MEXICO  
12641  
*Gary G. Eidson*  
Certificate Number **Gary G. Eidson 12641**  
**Ronald J. Eidson 3239**  
ACK JWSC W.O.: 14.11.0245

# Forehand Ranch 22 St # 1

Location: *Section 22\_T23S\_R27E\_Eddy County, New Mexico*



Well Bore Plan

Depth  
(TVD-ft)

---

500 —

1000 —

1500 —

2000 —

2500 —

3000 —

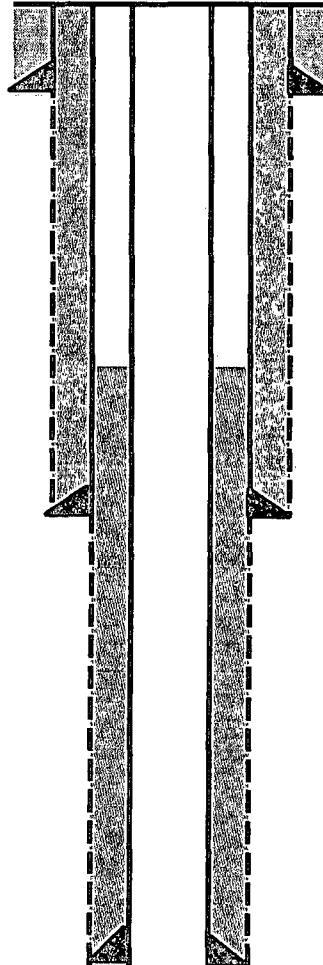
3500 —

4000 —

4500 —

5000 —

Wellbore Sketch



**20" Cond @ ± 40'**

**13-3/8" 48 # H-40 ST&C  
@ 450 ft**

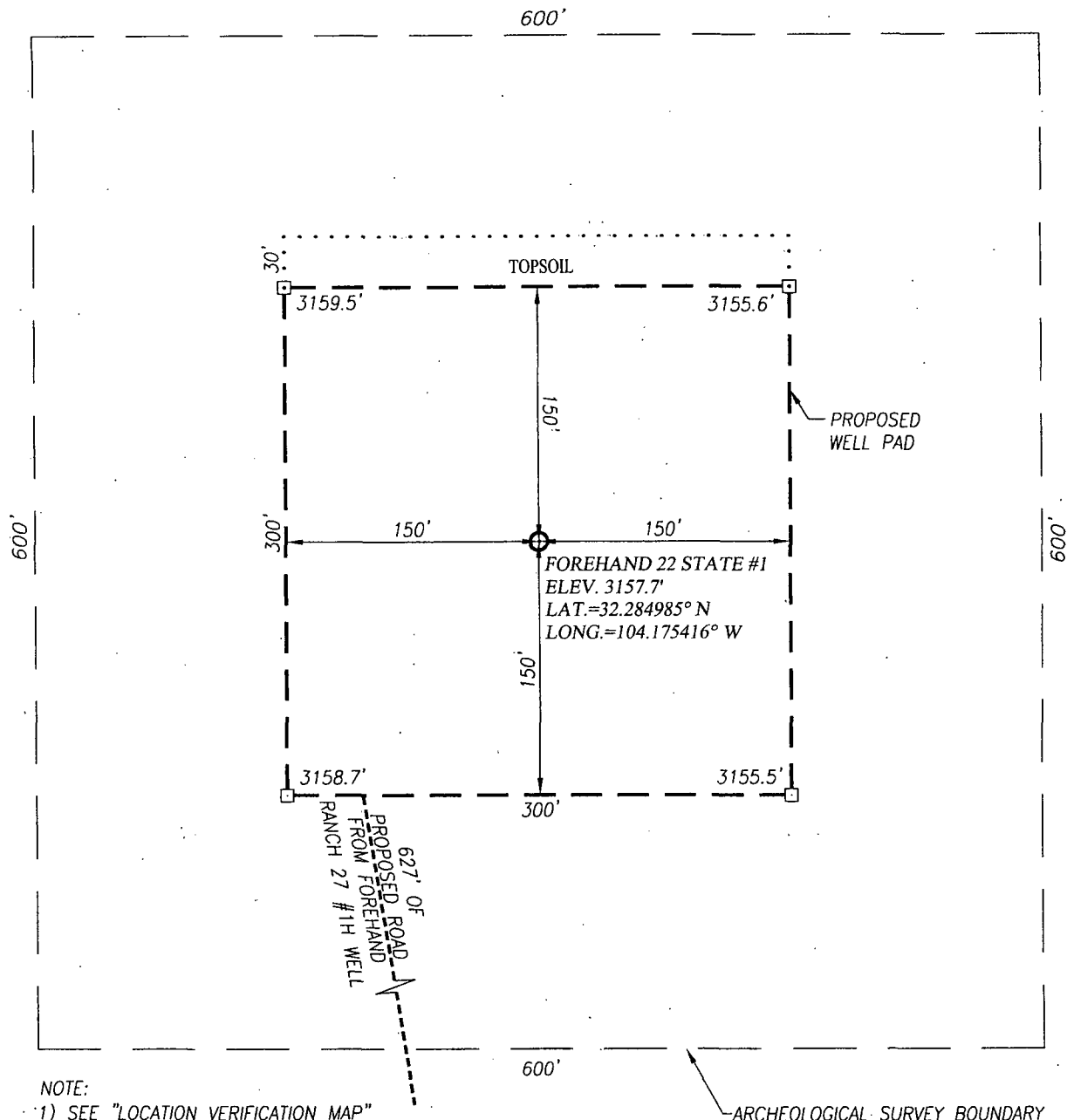
Cmt w/ 265 sks "C" w/ 4% gel  
+ .25pps celloflake mixed 13.5  
ppg. 1.75 yield. Tail w/ 150  
sks "C" w/ 2% CACL2 14.8 ppg  
1.33 yield

**8-5/8" 24 # J-55 ST&C @  
2150 ft**

Cmt w/ 416 sks "C" w/ lite  
4% gel + .25pps celloflake  
mixed 12.5 ppg. 2.14 yield.  
Tail w/ 200 sks "C" w/ 1%  
CACL2 14.8 ppg 1.33 yield

**5.5" 15.5# J-55 LT&C @  
4000 ft**

5-1/2" cmt w/ 465 sks "C"  
14.8 ppg 1.33 yield.

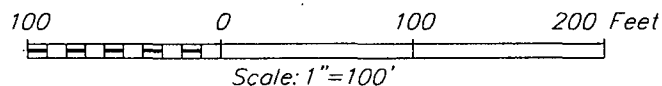


NOTE:

1) SEE "LOCATION VERIFICATION MAP" FOR PROPOSED ROAD LOCATION.

#### DIRECTIONS TO FOREHAND 22 STATE #1:

FROM THE INTERSECTION OF U.S. HIGHWAY 285 AND CO. RD. #706 (GRANDI RD.), GO SOUTH APPROX. 4 MILES ON CO. RD. #706; TURN RIGHT AND GO SOUTHWEST APPROX. 0.25 MILES. BEND LEFT AND GO SOUTH APPROX. 0.55 MILES; TURN RIGHT AND GO WEST APPROX. 0.15 MILE TO FOREHAND RANCH 27 #1H. FROM NORTHWEST PAD CORNER FOLLOW STAKED ROAD APPROX. 627 FEET NORTH-NORTHWEST TO THE WELL LOCATION.



## CAZA OPERATING, LLC

FOREHAND 22 STATE #1 WELL  
LOCATED 660 FEET FROM THE SOUTH LINE  
AND 1980 FEET FROM THE EAST LINE OF SECTION 22,  
TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO HOBBS, N.M. 88240  
(575) 393-3117 www.jwsc.biz  
TBPLS# 10021000

Survey Date: 3/13/14

CAD Date: 3/28/14

Drawn By: ACK

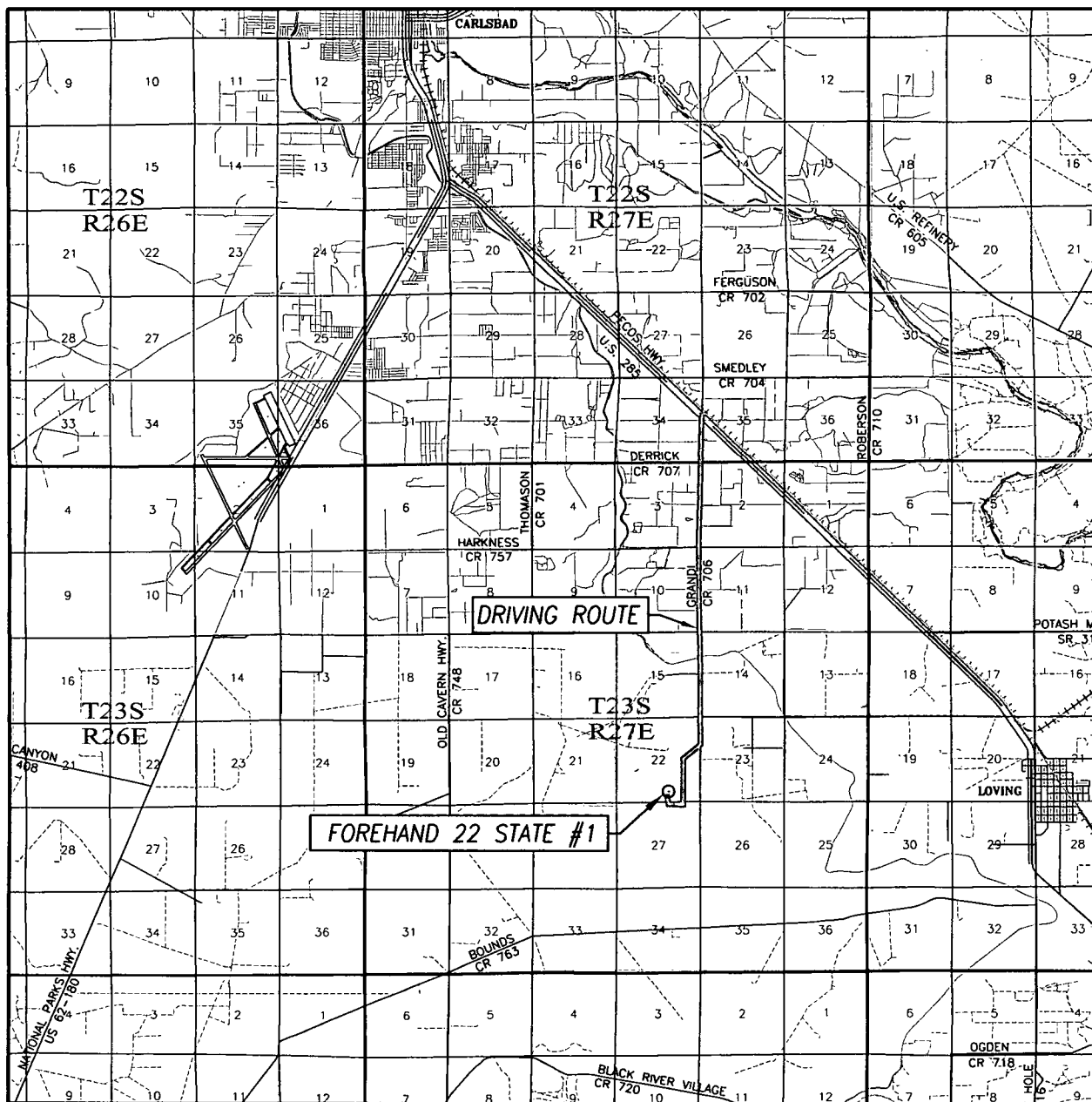
W.O. No.: 14110245

Rev: .

Rel. W.O.:


Sheet 1 of 1

# VICINITY MAP



SCALE: 1" = 2 MILES  
DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

SEC. 22 TWP. 23-S RGE. 27-E  
SURVEY N.M.P.M.  
COUNTY EDDY STATE NEW MEXICO  
DESCRIPTION 660' FSL & 1980' FEL  
ELEVATION 3158'  
OPERATOR CAZA OPERATING, LLC  
LEASE FOREHAND 22 STATE

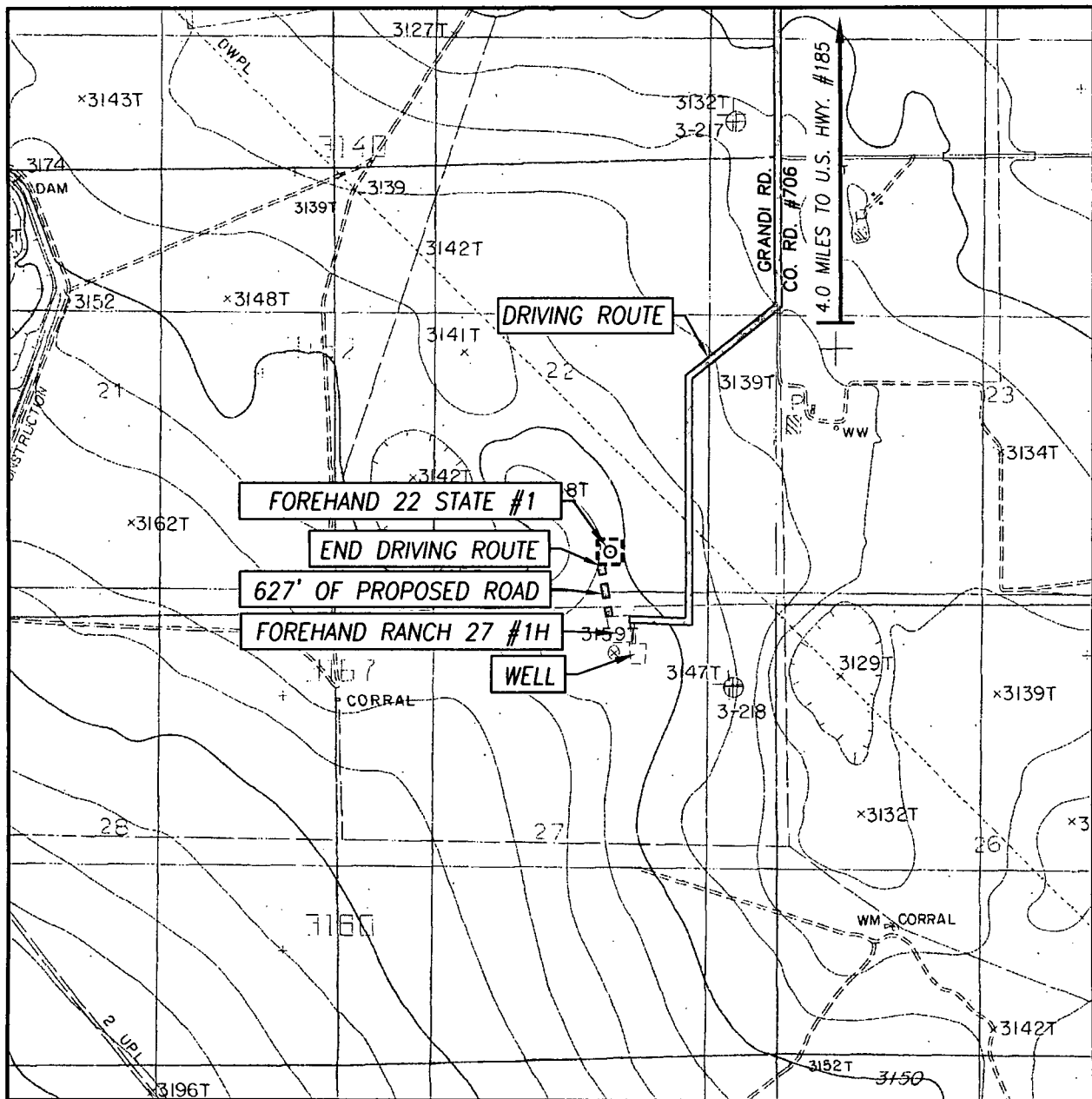


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TBPLS# 10021000

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
OTIS, N.M. - 10'

SEC. 22 TWP. 23-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 3158'

OPERATOR CAZA OPERATING, LLC

LEASE FOREHAND 22 STATE

U.S.G.S. TOPOGRAPHIC MAP  
OTIS, N.M.

DIRECTIONS TO FOREHAND 22 STATE #1:

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PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

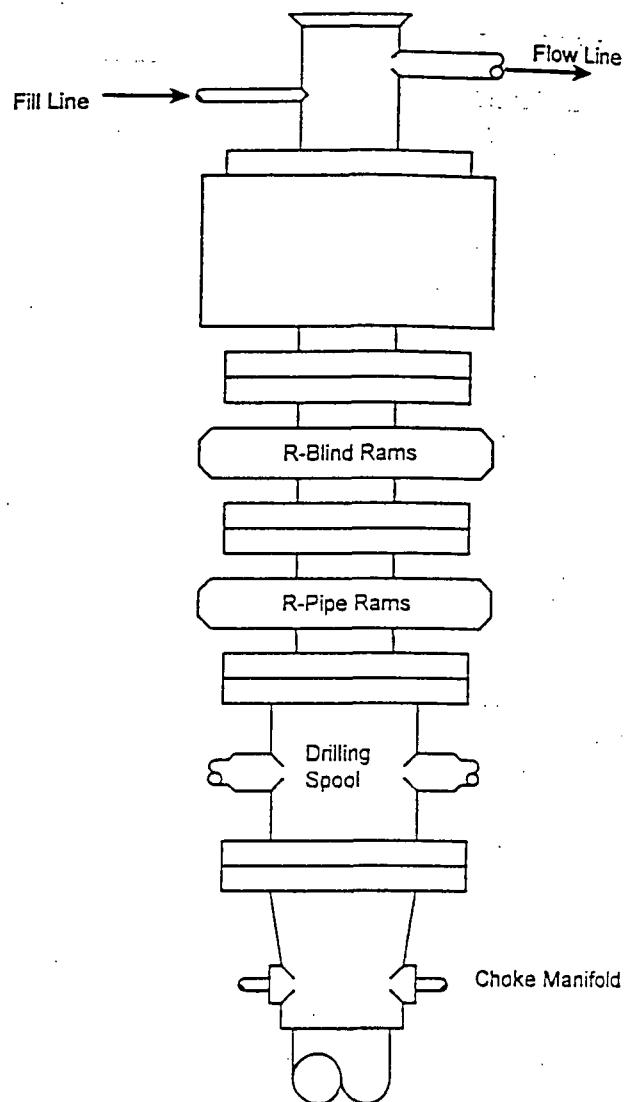
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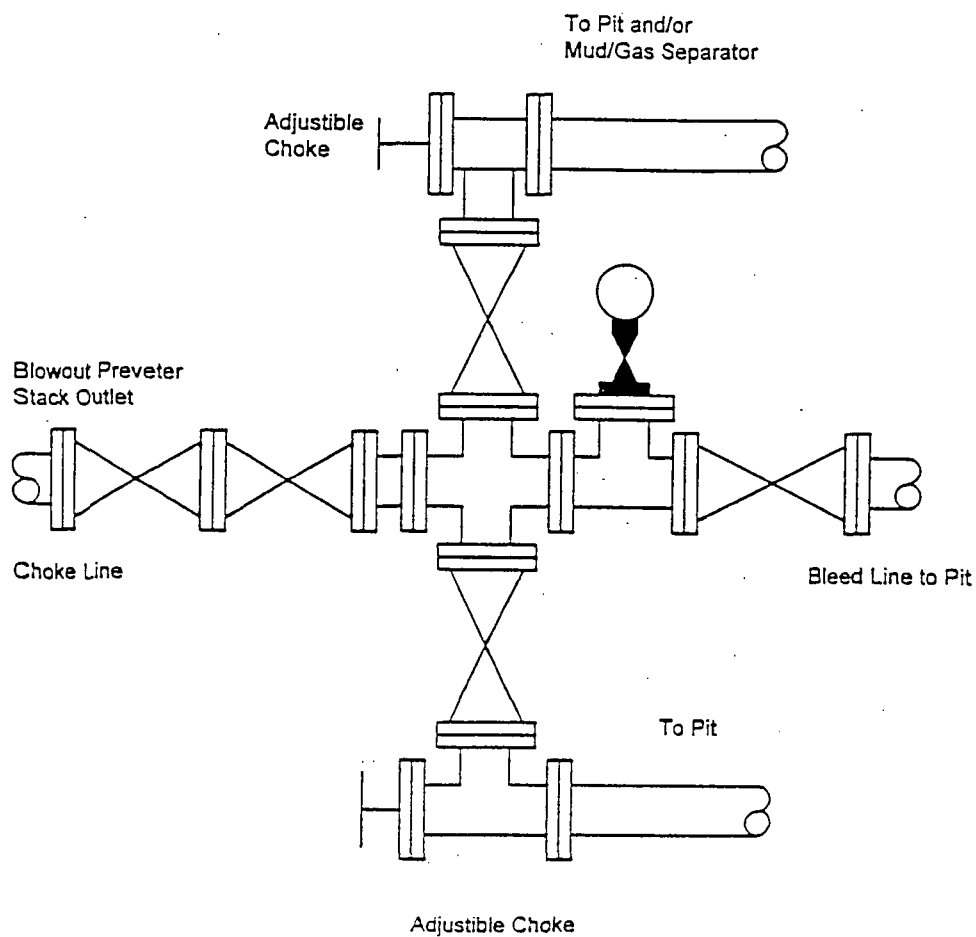
# BLOWOUT PREVENTER SYSTEM

3000 PSI



Type 900 SERIES  
3000 PSI WP

## Choke Manifold Assembly for 5M WP System







## **Forehand 22 State #1 Closed Loop Drilling System**

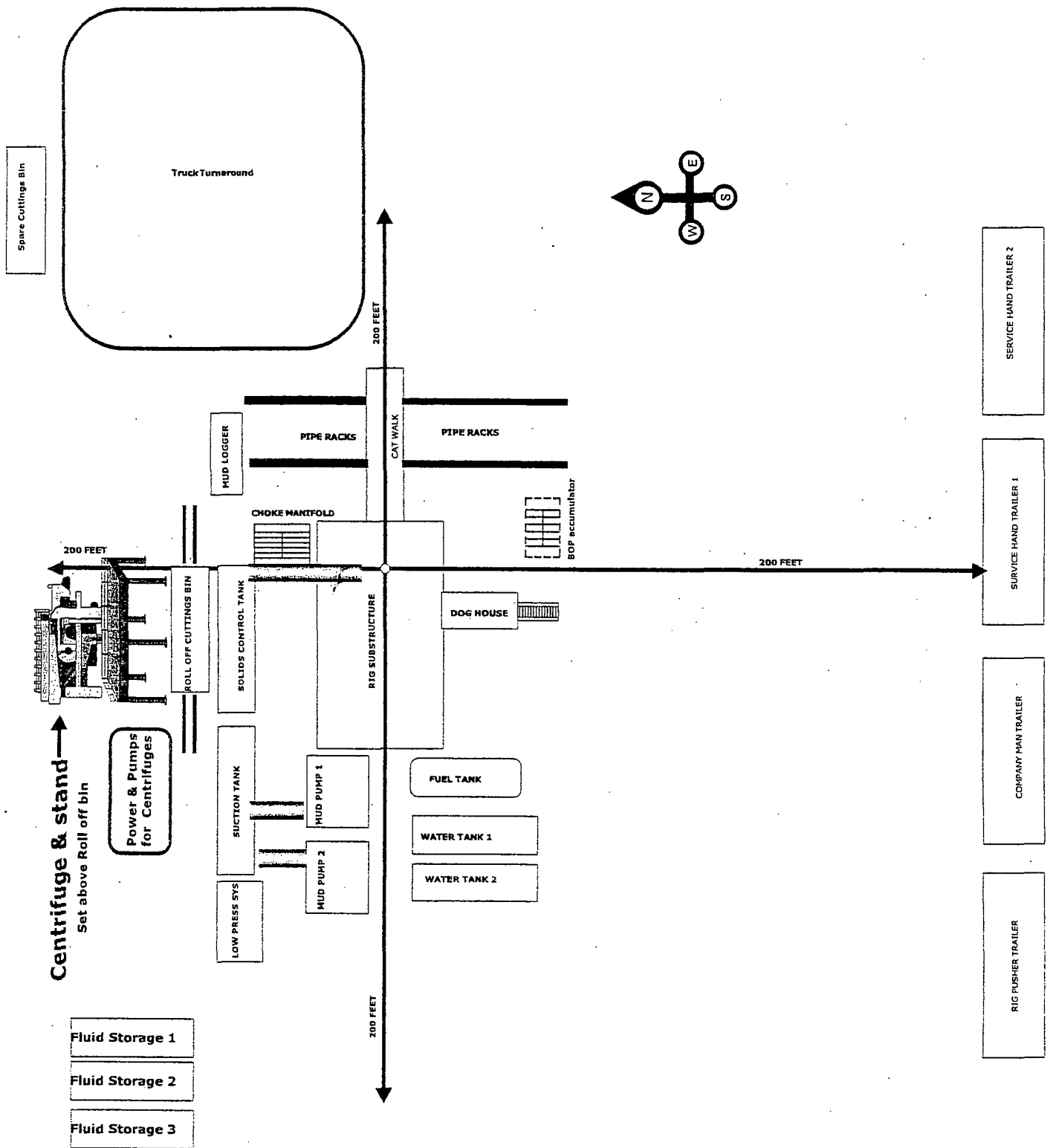
### **Operations and Maintenance Plan**

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

### **Closure Plan**

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

CAZA OPERATING, LLC.  
FOREHAND "22" STATE #1



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