

**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 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 NM OIL CONSERVATION**  
ARTESIA DISTRICT  
**Energy Minerals and Natural Resources**  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised July 18, 2013

APR 30 2015  AMENDED REPORT  
RECEIVED

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

Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORRAINE SUITE 1550 MIDLAND, TEXAS 79701		OGRID Number 249099
Property Code 40013		API Number 30-015-3091
Property Name FOREHAND RANCH "27" STATE		Well No. #6

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	27	23S	27E		440'	NORTH	330'	EAST	EDDY

**\* 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**

Pool Name CASS DRAW-Delaware,	Pool Code 10410
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**Additional Well Information**

11. Work Type N	12. Well Type O	13. Cable/Rotary ROTARY	14. Lease Type S	15. Ground Level Elevation
16. Multiple NO	17. Proposed Depth 4000'	18. Formation CHERRY CANYON	19. Contractor UNKNOWN	20. Spud Date WHEN APPROVED
Depth to Ground water 100'		Distance from nearest fresh water well .5 miles Northeast		Distance to nearest surface water None known

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
Intermediate	12 1/4"	8 5/8"	24#	2050'	795 Sx.	SURFACE
Production	7 7/8"	5 1/2"	15.5	4000'	465 Sx.	1500' F. Sur.

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram W/Packoff	3000 PSI	Hi-3000 Lo-250	Cameron or Schaffer

23. 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: 04/29/15 Phone: 575-391-8503

OIL CONSERVATION DIVISION	
Approved By: <i>J. Dade</i>	Title: <i>Dist. R Supervisor</i>
Approved Date: <i>5/7/15</i>	Expiration Date: <i>5/7/2017</i>
Conditions of Approval Attached	

CAZA OPERATING, LLC.  
FOREHAND RANCH "27" STATE # 6  
440' FNL & 330' FEL SECTION 27  
T23S-R27E EDDY CO NM

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to from 40' 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#/Sx. of Celo Flakes, Yield 1.75 100% excess, tail in with 150 Sx. of Class "C" cement + 2% CaCl, Yield 1.34 100% excess, circulate cement to surface.
3. Drill 12 1/4" hole from 450' to 2050'. Run and set 2050' of 8 5/8" 24# J-55 ST&C casing. Cement with 595 Sx. of Class "C" 35/65/4 POZ cement + 5% salt, Yield 2.16 100% excess, tail in with 200 Sx. of Class "C" cement + 1% CaCl, yield 1.33 100% excess circulate cement to surface.
4. Drill 7 7/8" hole from 2050' to 4000'. Run and set 4000' of s5 1/2" 15.5# J-55 LT&C casing. Cement with 465 Sx. of Class "C" cement + 1% CaCl, Yield 1.33 50% excess estimate top of cement 1500' from surface

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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

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-102

Revised August 1, 2011

APR 30 2015 Submit one copy to appropriate District Office

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- <b>43091</b>	Pool Code 10410	Pool Name CASS DRAW-DELAWARE
Property Code <b>40013</b>	Operator Name <b>Forhand RANCH "27" State</b>	Well Number 6
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Elevation 3145'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	23-S	27-E		440	NORTH	330	EAST	EDDY

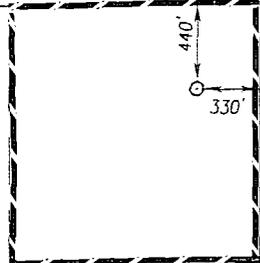
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 466367.0 N X= 550449.5 E LAT.=32.282054° N LONG.=104.170088° W	GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 466425.7 N X= 591632.0 E LAT.=32.282174° N LONG.=104.170587° W



**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.

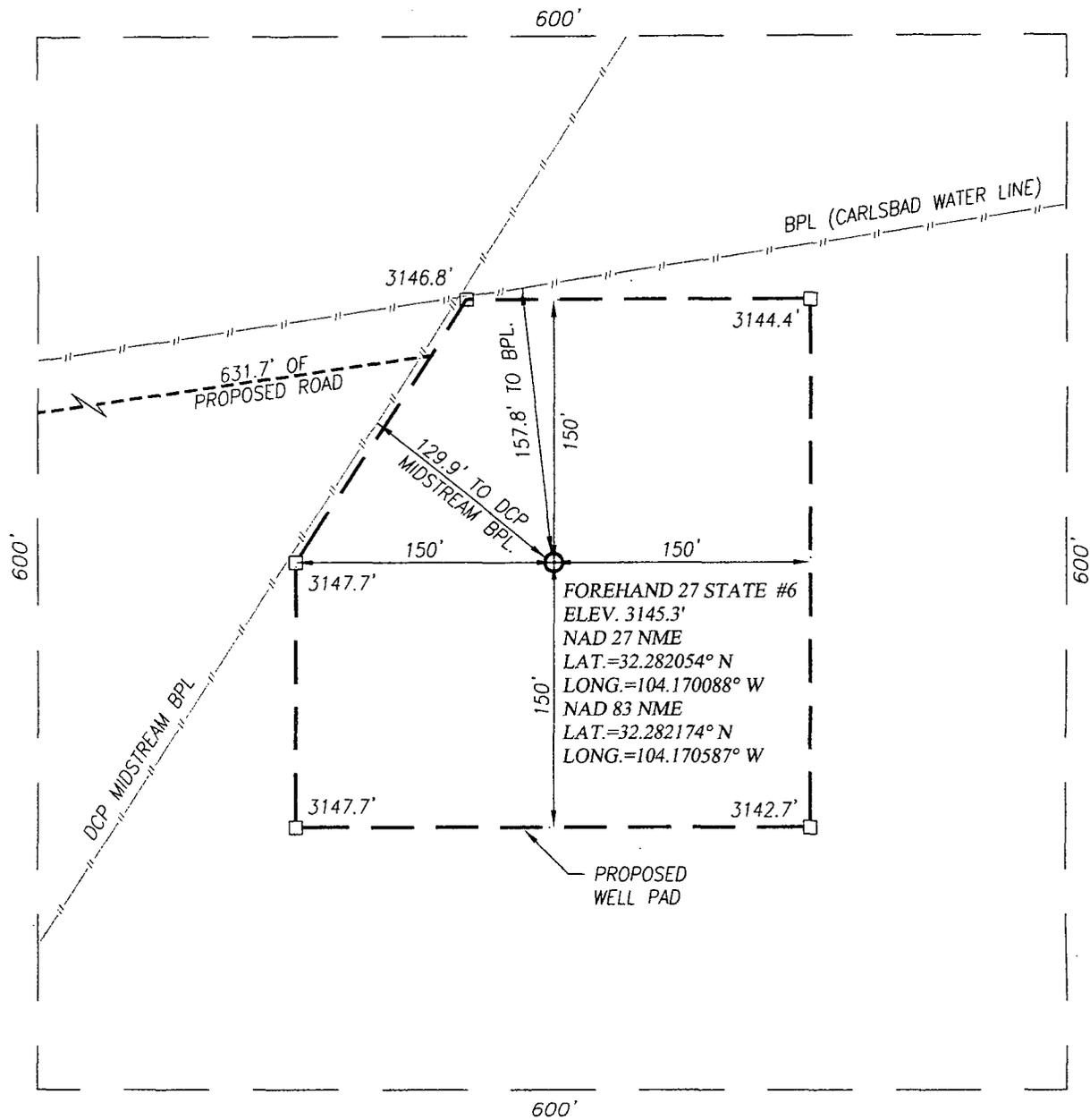
*Joe T. Janica*  
Signature Date  
**Joe T. Janica** 04/29/15  
Printed Name  
**joejanica@valornet.com**  
E-mail Address

**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.

APR 15 2015  
Date of Survey  
Signature Seal of Professional Surveyor  
**RONALD J. EIDSON**  
NEW MEXICO  
REGISTERED SURVEYOR  
12641  
Certificate Number **12641** Ronald J. Eidson  
12641  
3239

# WELL SITE PLAN

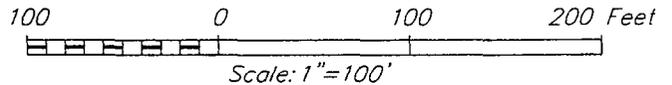


**NOTE:**

1) SEE "TOPOGRAPHICAL AND ACCESS ROAD MAP" FOR PROPOSED ROAD LOCATION.

**DIRECTIONS TO THIS LOCATION:**

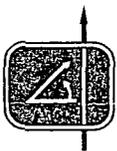
FROM THE INTERSECTION OF US. HWY. 285 AND CO. RD. 706 (GRANDI RD.) GO SOUTH APPROX. 4 MILES ON CO. RD. 706, TURN RIGHT AND GO SOUTHWEST APPROX. 0.25 MILES, TURN LEFT AND GO SOUTH APPROX. 0.55 MILES, FOLLOW ROAD SURVEY EAST FOR 632' TO THIS LOCATION.



## CAZA OPERATING, LLC

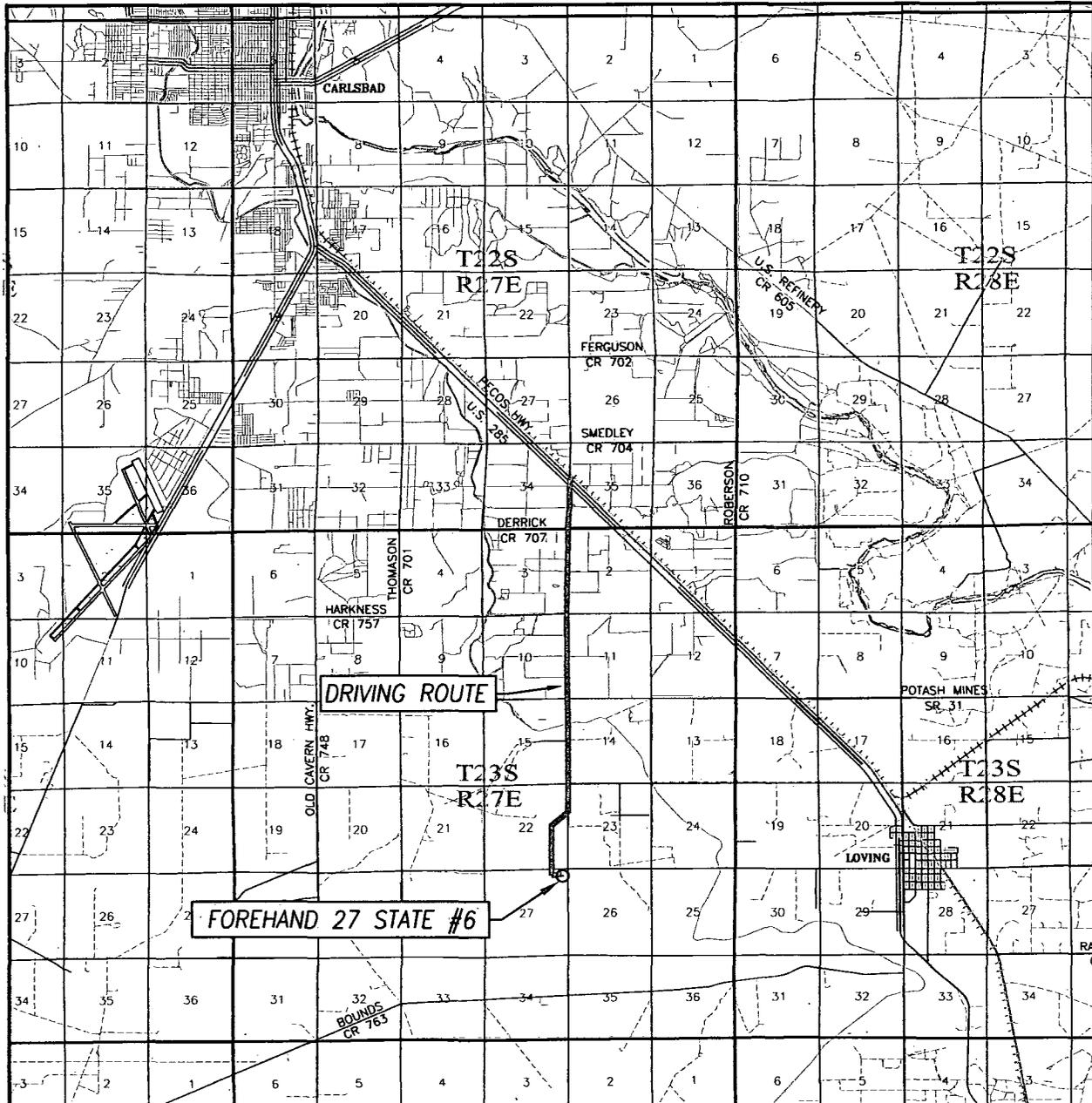
FOREHAND 27 STATE #6 WELL  
 LOCATED 440 FEET FROM THE NORTH LINE  
 AND 330 FEET FROM THE EAST LINE OF SECTION 27,  
 TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 4/15/15	CAD Date: 4/27/15	Drawn By: LSL
W.O. No.: 15110410	Rev. :	Rel. W.O.:
		Sheet 1 of 1



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

# VICINITY MAP



SCALE: 1" = 2 MILES  
 DRIVING ROUTE: SEE TOPOGRAPHICAL AND ACCESS ROAD MAP

SEC. 27 TWP. 23-S RGE. 27-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 440' FNL & 330' FEL  
 ELEVATION 3145'  
 OPERATOR CAZA OPERATING, LLC  
 LEASE FOREHAND 27 STATE

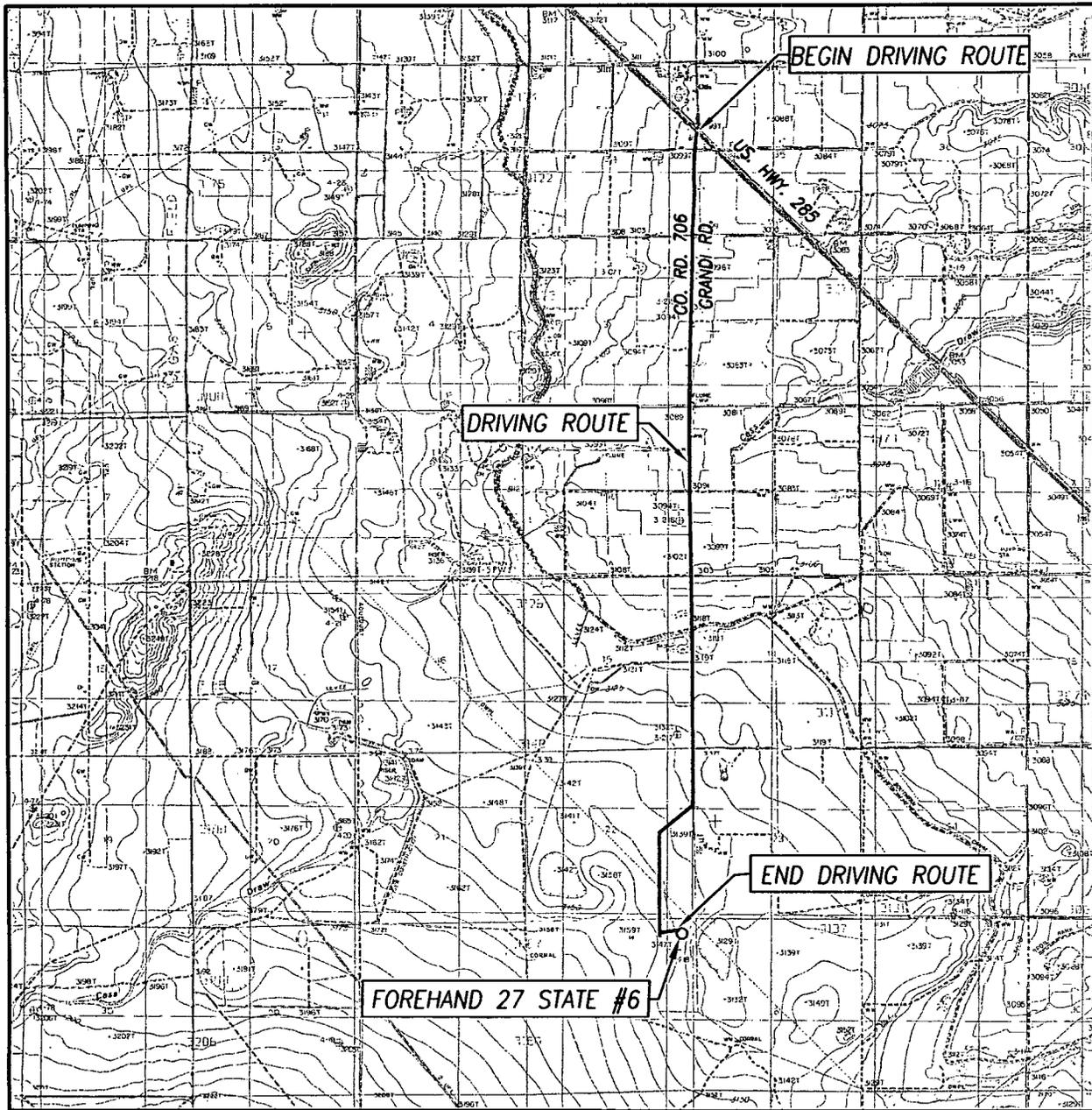


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 SINCE 1946

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 TBPLS# 10021000

# TOPOGRAPHICAL AND ACCESS ROAD MAP



SCALE: 1" = 5280'

CONTOUR INTERVAL:  
OTIS, N.M. - 5'

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

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 440' FNL & 330' FEL

ELEVATION \_\_\_\_\_ 3145'

OPERATOR CAZA OPERATING, LLC

LEASE FOREHAND 27 STATE

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

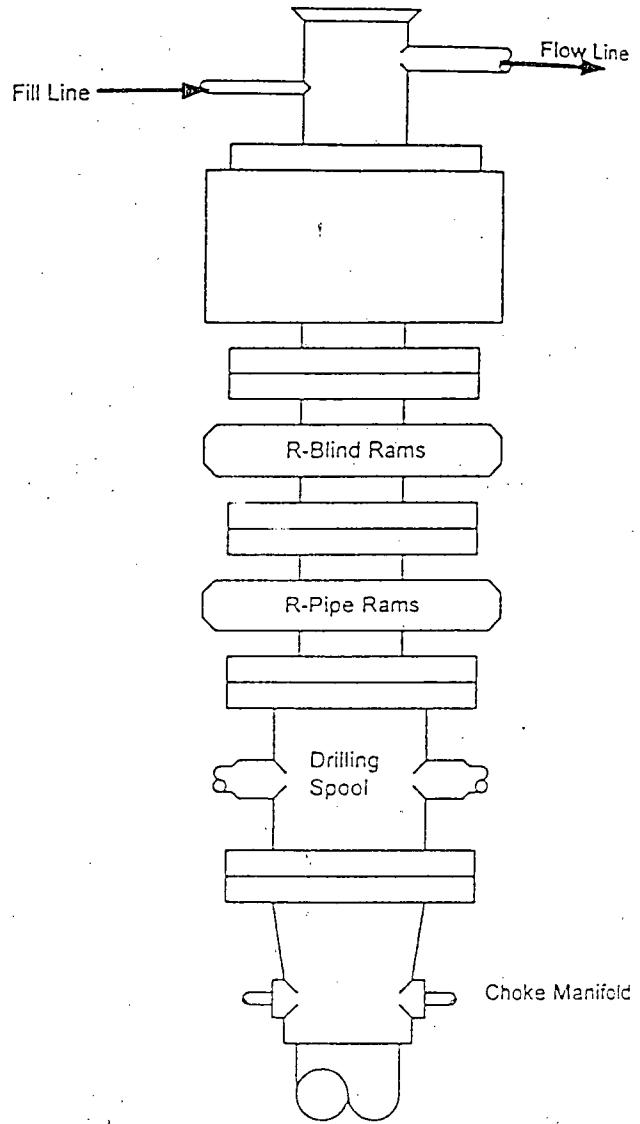
DIRECTIONS TO THIS LOCATION:

FROM THE INTERSECTION OF US. HWY. 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, TURN LEFT AND GO SOUTH APPROX. 0.55 MILES, FOLLOW ROAD SURVEY EAST FOR 632' TO THIS LOCATION.



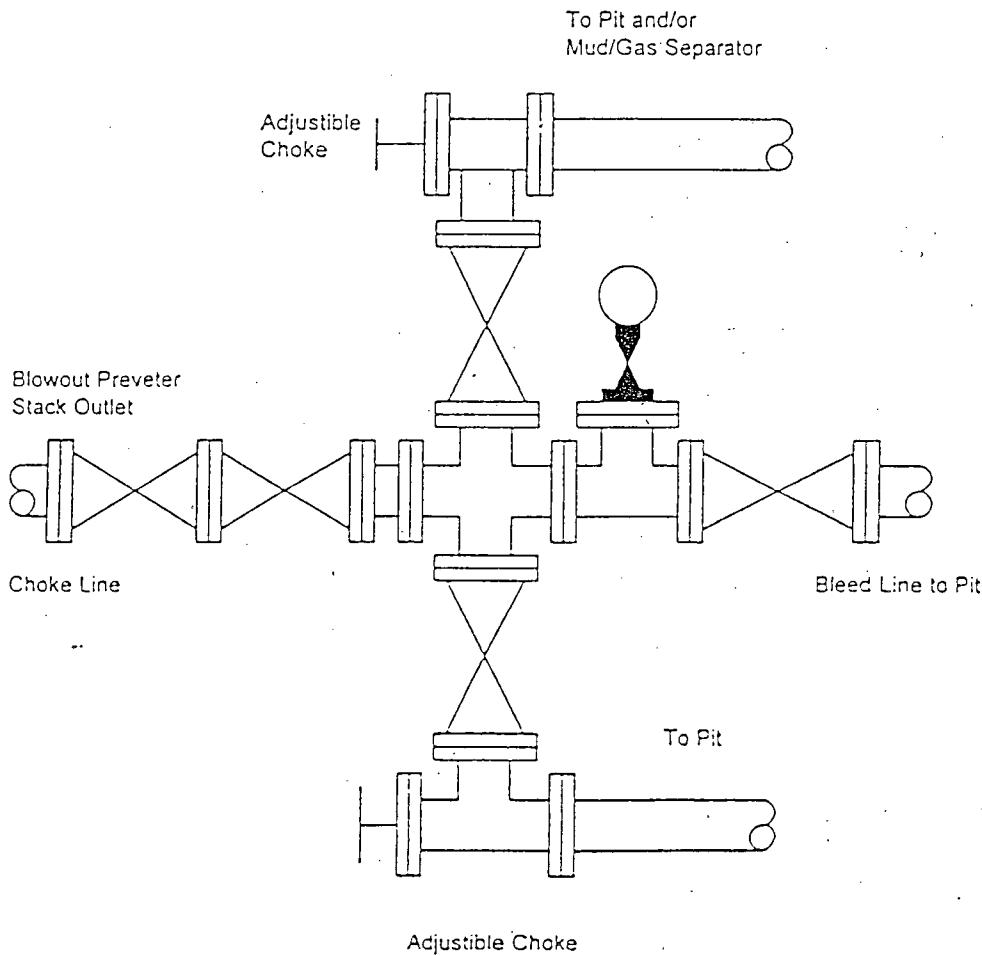
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(575) 393-3117 [www.jwsc.biz](http://www.jwsc.biz)  
TBPLS# 10021000

# BLOWOUT PREVENTER SYSTEM



Type 900 Series  
3000 psi WP

## Choke Manifold Assembly for 3M WP System





## **Closed Loop Drilling System**

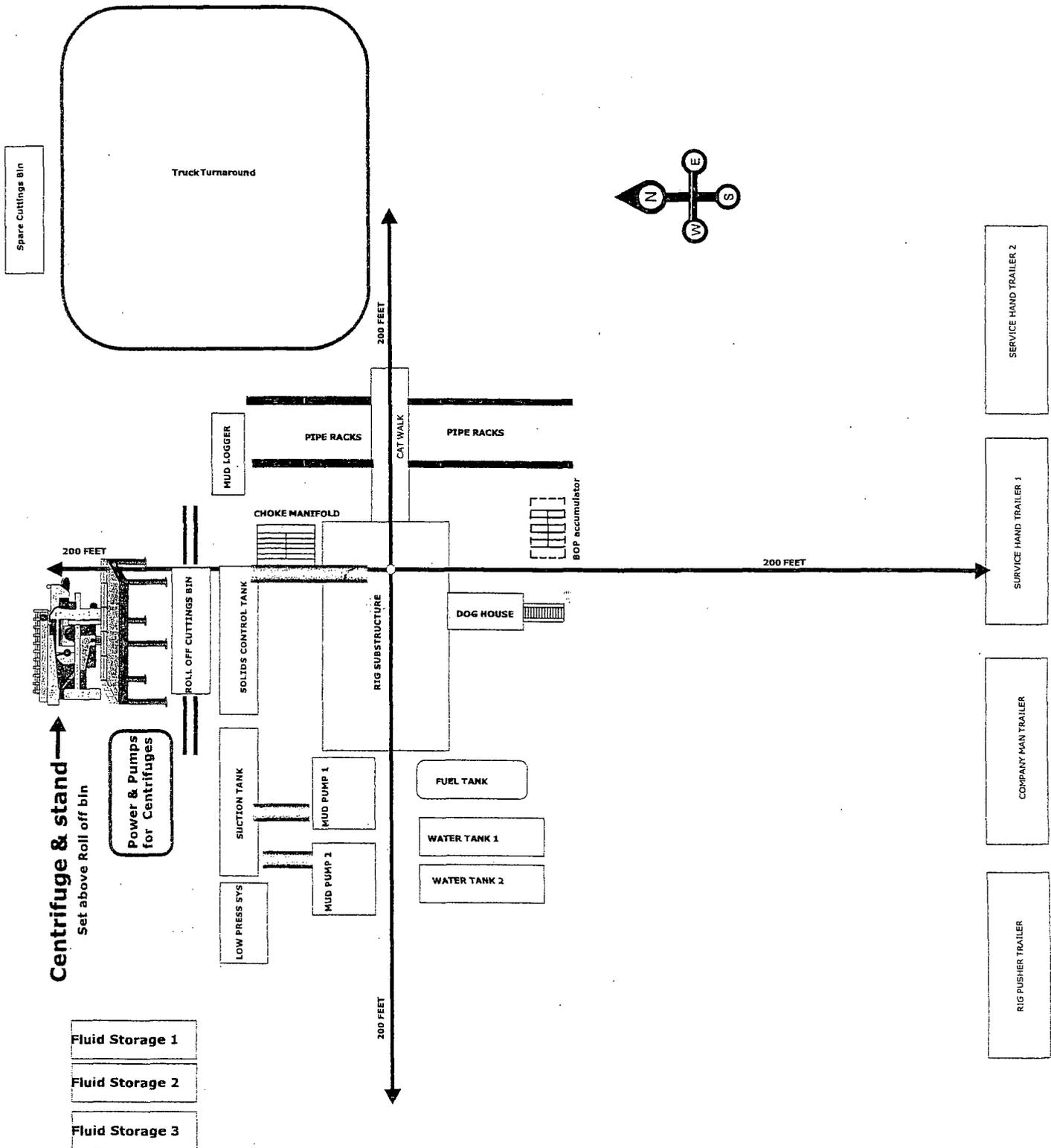
### **Operations and Maintenance Plan**

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.

# Closed Loop Oil Well



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