

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004



Oil Conservation Division  
1220 South St. Francis Dr. JAN - 7 2008  
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

**OCD-ARTESIA**

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

<sup>1</sup> Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORRAINE SUITE 1550 MIDLAND, TEXAS 79701		<sup>2</sup> OGRID Number 249099
<sup>3</sup> Property Code		<sup>4</sup> API Number 30 - 015 - 36030
<sup>5</sup> Property Name PEBBLES "27" STATE		<sup>6</sup> Well No. 1
<sup>9</sup> Proposed Pool 1 Carrizosa MORROW		<sup>10</sup> Proposed Pool 2

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	23S	27E		990'	NORTH	660'	WEST	EDDY

**8 Proposed 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
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**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary ROTARY	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3168' GL
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 12,350'	<sup>18</sup> Formation MORROW	<sup>19</sup> Contractor UNKNOWN	<sup>20</sup> Spud Date WHEN APPROVED
Depth to Groundwater 98'		Distance from nearest fresh water well 1.2 miles		Distance from nearest surface water None known
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 18M bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	Conductor	40'	Redi-mix	SURFACE
17 1/2"	13 3/8"	54.50#	450'	550 Sx.	SURFACE
11"	8 5/8"	32 #	5600'	1450 Sx.	SURFACE
7 7/8"	5 1/2"	17#	12,350'	1700 Sx.	4500' FS

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED FOR DETAIL INFORMATION

SOT Surface casing Above the Salado.

<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 the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Joe T. Janica		Approved by: <b>BRYAN G. ARRANT</b>	
Title: Permit Engineer		Title: <b>DISTRICT II GEOLOGIST</b>	
E-mail Address: joejanica@valornet.com		Approval Date: <b>JAN 09 2008</b> Expiration Date: <b>JAN 09 2010</b>	
Date: 01/04/08	Phone: 505-391-8503	Conditions of Approval Attached <input type="checkbox"/>	

# **1. Pebbles 27 State # 1**

990 FNL & 660 FWL, SEC 27, T23S, R27E, EDDY COUNTY, NEW MEXICO.  
TD 12,350 ft. "MORROW". 320 ACRE N1/2 LAY DOWN PRORATION UNIT  
GAS WELL.

## **SURFACE CASING:**

17 1/2" HOLE DRILLED W/ FRESH WATER. SET 13 3/8" 48 # H-40 CASING @  
450 ft. CMT'D W/ 350 SKS CAZA SLURRY # 1. FOLLOWED BY 200 SKS  
CAZA SLURRY # 2. CMT CIRCULATED TO SURFACE. HYDRAULIC  
DIAMETER OF ANNULUS .695 CU FT PER FT. VOLUME FIGURED @ 200%  
WASHOUT OR 3 TIMES HYDRAULIC DIAMETER OF ANNULUS.

## **INTERMEDIATE CASING:**

NIPPLE UP 5K BOP EQUIPMENT. TEST SAME WITH RIG PUMP TO 3K  
SPECS. START R/U GAS EQUIPMENT WHILE DRILLING INTERMEDIATE  
HOLE. MONITOR H2S FOR SAFETY. H2S PLAN NOT REQUIRED EXCEPT  
FOR PRUDENT OPERATION. DRILL 11" HOLE WITH CUT BRINE WATER &  
SWEEPS TO 5600 FT. RUN FLUID CALIPER. SET 8 5/8" 32# J-55 & N-80  
CASING @  $\pm$  5600 FT. NO STAGE TOOL PLANNED. CEMENT 8 5/8" CASING  
AS PER VOLUME ADJUST AFTER RUNNING FLUID CALIPER. LEAD  $\pm$  1250  
SKS CAZA SLURRY # 3 FOLLOWED BY 200 SKS CAZA SLURRY # 4.  
CEMENT SHOULD BE CIRCULATED. TRUE HOLE HYDRAULIC VOLUME IS  
.254 CU FT PER FT. VOLUME FIGURED @ 100% WASH OUT OR 2 TIMES  
HYDRAULIC VOLUME OF ANNULUS. SLURRY LEAD ADJUSTED AFTER  
RUNNING FLUID CALIPER.

## **PRODUCTION CASING:**

NIPPLE UP 5K BOP EQUIPMENT. TEST SAME WITH 3<sup>RD</sup> PARTY. 7 7/8"  
HOLE DRILLED TO 12,350 FT. MUD CONSIST OF FW TO 9.2 PPG CUT  
BRINE TO 10,900'. MUD UP @ 10,900 FT. W/ DYNAZAN & STARCH WITH  
FLUID LOSS CONTROL OF 12-6 CC'S /30MIN AS NEEDED FOR SHALE  
CONTROL TO TD. WEIGHT ADJUSTED WITH BARITE ADDITION. MAX  
WEIGHT ANTICIPATED 11 PPG. . SET 5 1/2" 17# P-110 CASING @ 12,350 ft.  
CMT 1<sup>ST</sup> STAGE W/ 1000 SKS CAZA SLURRY #5 ADJUSTED FOR BHT &  
FLUID LOSS. TOP OF SLURRY SHOULD BE  $\pm$  8000 FT. STAGE TOOL @  
8000 FT. 2<sup>ND</sup> STAGE 700 SKS SLURRY #7 ADJUSTED FOR BHT & FLUID  
LOSS. TOP OF SLURRY  $\pm$  4500' CALCULATED. HYDRAULIC DIAMETER OF  
TRUE HOLE ANNULUS = .173 CU FT PER FT. ADJUSTED FOR 50%  
WASHOUT OR 1.5 TIMES HYDRAULIC DIAMETER ON ALL CALCULATIONS.  
CEMENT VOLUMES WILL BE ADJUSTED AFTER REVIEWING LOG CALIPER.

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code 73960	Carlsbad; MORROW	Pool Name South
Property Code 36947	Property Name PEBBLES "27" STATE		Well Number 1
OGRID No. 249099	Operator Name CAZA PETROLEUM CORP.		Elevation 3168'

**Surface Location**

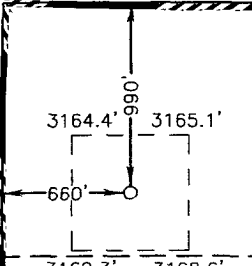
UL or lot No. D	Section 27	Township 23 S	Range 27 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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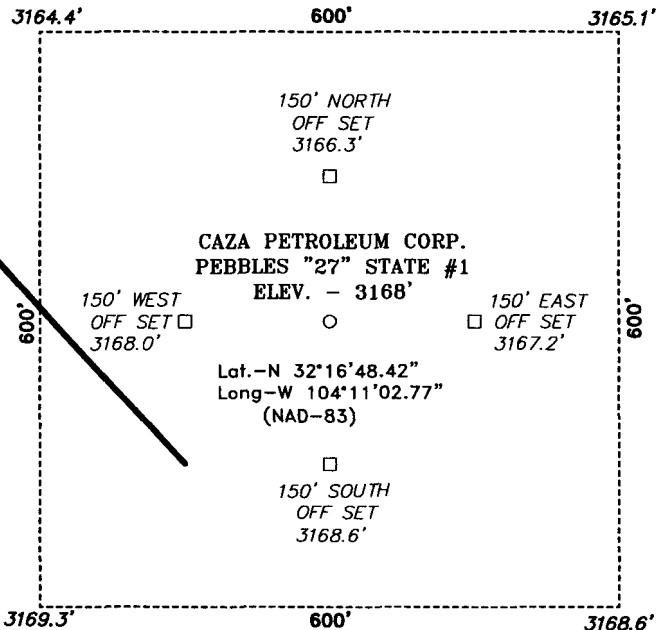
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>SURFACE LOCATION</b> Lat - N32°16'48.42" Long - W104°11'02.77" NMSPC- N 465671.149 E 587456.464 (NAD-83)
	V-6475
<b>OPERATOR CERTIFICATION</b> <p>I hereby certify that the information contained 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name 01/04/08 Date</p>	
<b>SURVEYOR CERTIFICATION</b> <p>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 knowledge.</p> <p>NOVEMBER 7, 2007 Date Surveyed Signature &amp; Seal of 7977 Professional Surveyor W.O. No. 18758 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>	

SECTION 27, TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

PROPOSED LEASE ROAD 10506.2'



Directions to Location:

FROM MILE MARKER 27 OF US HWY 285, GO NORTH  
WEST TO CO. RD. 706, ON CO. RD. 706 GO SOUTH  
FOR APPROX. 4.5 MILES TO COUNTY ROAD, ON  
COUNTY ROAD TO WEST TO PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 18738 Drawn By: J. SMALL

Date: 11-13-2007 Disk: JMS 18738W

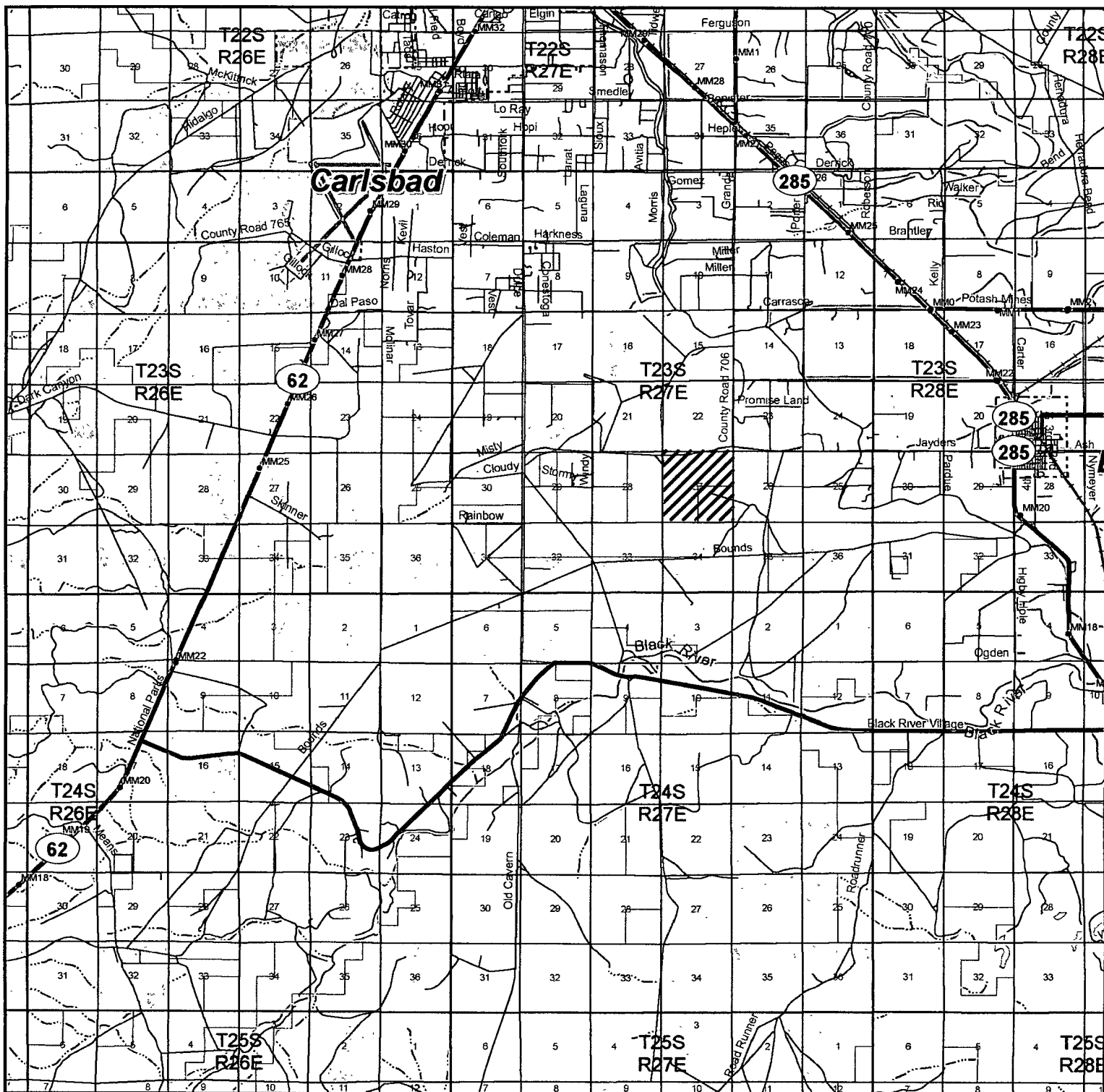
**CAZA PETROLEUM CORP.**

REF: PEBBLES '27" STATE #1 / WELL PAD TOPO

THE PEBBLES "27" STATE #1 LOCATED 990' FROM  
THE NORTH LINE AND 660' FROM THE WEST LINE OF  
SECTION 27, TOWNSHIP 23 SOUTH, RANGE 27 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11-07-2007 Sheet 1 of 1 Sheets





PEBBLES "27" STATE #1

Located 990' FNL and 660' FWL

Section 27, Township 23 South, Range 27 East,  
N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

W.O. Number: JMS 18738TR

Survey Date: 11-07-2007

Scale: 1" = 2 MILES

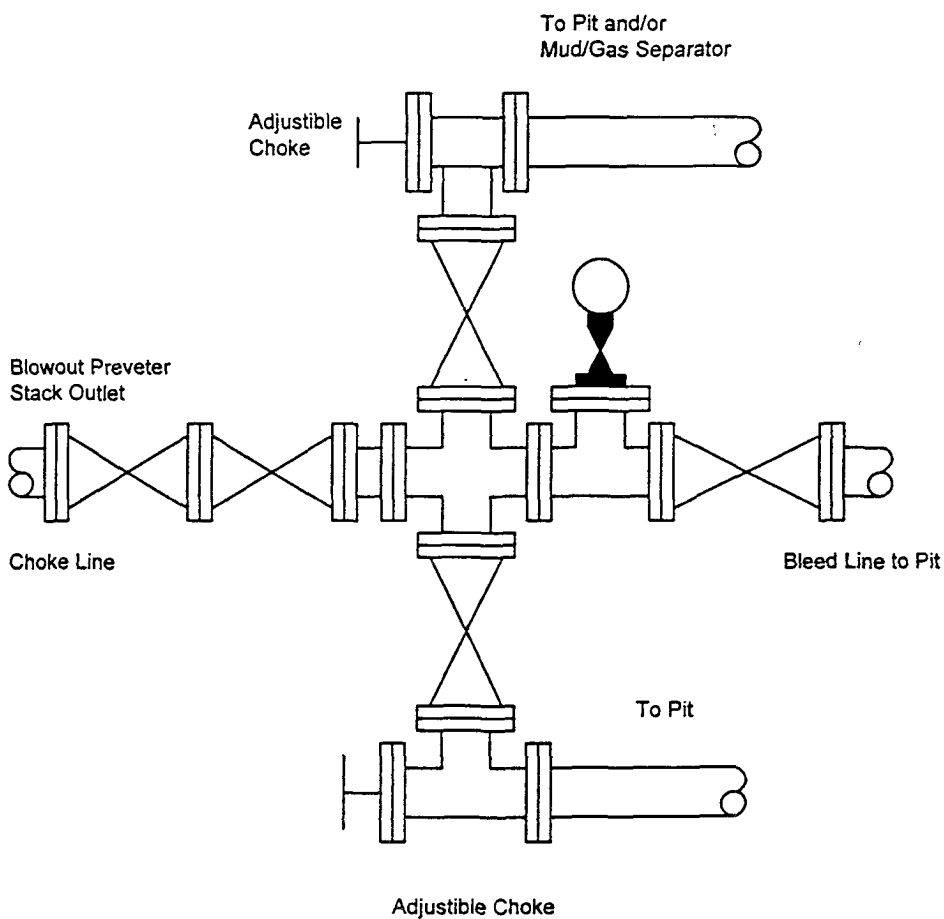
Date: 11-13-2007

CAZA  
PETROLEUM  
CORP.

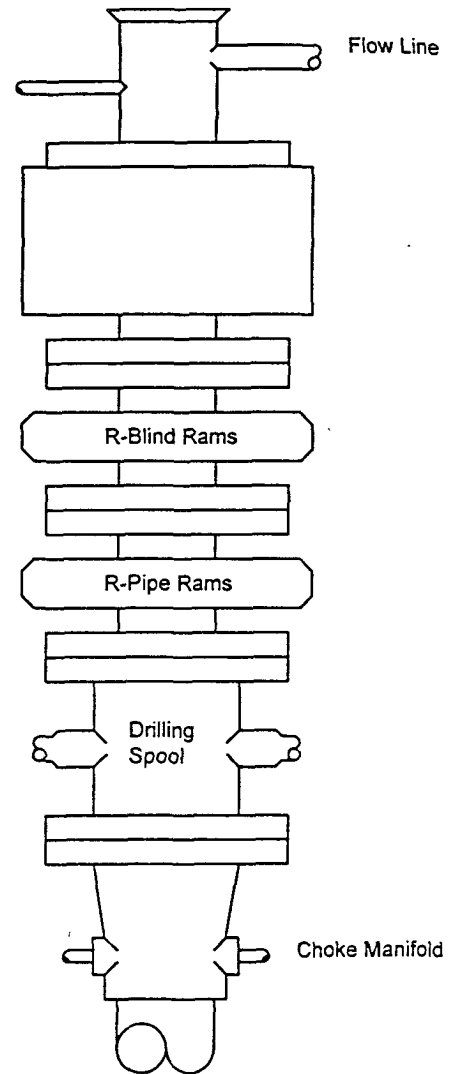
# BLOWOUT PREVENTER SYSTEM

5000 PSI

## Choke Manifold Assembly for 5M WP System



Fill Line



TYPE 1500 SERIES  
5000 psi WP