

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

HOBBS OCD State of New Mexico
Energy Minerals and Natural Resources

JAN 17 2012

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

RECEIVED

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

¹ Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORAIN SUITE 1550 MIDLAND, TEXAS 79701		² OGRID Number 249099
		³ API Number 30 - 025-40403
⁴ Property Code 39019	⁵ Property Name LENNOX "32" STATE	⁶ Well No. 1H
⁷ Proposed Pool 1 Rock Lake WILDCAT-BONE SPRING		⁸ 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
B	32	22S	35E		330'	NORTH	1980'	EAST	Lea

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
0	32	22S	35E		330'	SOUTH	1980'	EAST	Lea

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code 0	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3525'
¹⁶ Multiple NO	¹⁷ Proposed Depth TVD-11,500 MD-15,583'	¹⁸ Formation WOLFCAMP	¹⁹ Contractor UNKNOWN	²⁰ Spud Date WHEN APPROVED

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"	54.5#	700'	468 Sx.	Surface
12 1/2"	9 5/8"	40#	4900'	1147 Sx.	Surface
8 3/4"	7"	26#	11,500'	1037 Sx.	TOC 4700' FS
6 1/8"	4 1/2"	11.6#	Liner 4285"	246 Sx	TOPOF LINER

²² 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 SHEET FOR DETAIL

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Joe T. Janica</i>		Approved by: <i>[Signature]</i>	
Printed name: Joe T. Janica		Title: PERMIT ENGINEER	
Title: Permit Eng.		Approval Date: JAN 17 2012	Expiration Date:
E-mail Address: joejanica@valornet.com			
Date: 01/16/12	Phone: 575-391-8503	Conditions of Approval Attached ☐	

JAN 23 2012

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 700'. Run and set 700' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 268 Sx. of 35/65 Class "C" POZ, cement + 5% Salt, Yield 1.89, tail in with 200 Sx. of Class "C" + 2% CaCl, Yield 1.32, circulate cement to surface.
3. Drill 12½" hole to 4900'. Run and set 4900' of 9 5/8" 40# casing as follows: 900' of 9 5/8" 40# HCK-55 LT&C, 4000' of 9 5/8" 40# J-55 LT&C casing. Cement with 947 Sx. of 35/65 Class "C" POZ + 5% Salt, + 6% Gel, Yield 2.09, tail in with 200 Sx. of Class "C" cement + 1% CaCl, Yield 1.32, circulate cement to surface.
4. Drill 8 3/4" hole to 11,500'. Run open hole logs. Run and set 7" casing as follows: 1100' of 7" 26# HCP-110 LT&C, 10,400' of 7" 26# P-110 LT&C casing. Cement with 1037 Sx. of 50/50 POZ Class "H" cement + 5# Gilsonite/Sx. + .125# Cello Flakes/Sx + 0.25% Econolite, Yield 1.335% Excess estimate TOC 4300' from surface.
5. Set Whipstock as determined by Geologist. Drill 6 1/8" hole to a MD of 15,583'. Run 4285' of 4½" 11.6# P-110 BT&C liner with engineered sliding sleeves. Cement with 246 Sx. of Class "H" SoluCem H w/Fluid loss control and Defoamer, Yield 2.61. Cement volumes may be adjusted as required.

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
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 30-025-40403	Pool Code 52766	Pool Name Rock Lake WILDCAT-BONE SPRING
Property Code 39019	Property Name LENNOX 32 STATE	
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	
	Well Number 1H	Elevation 3525'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	22-S	35-E		330	NORTH	1980	EAST	LEA

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
O	32	22-S	35-E		330	SOUTH	1980	EAST	LEA

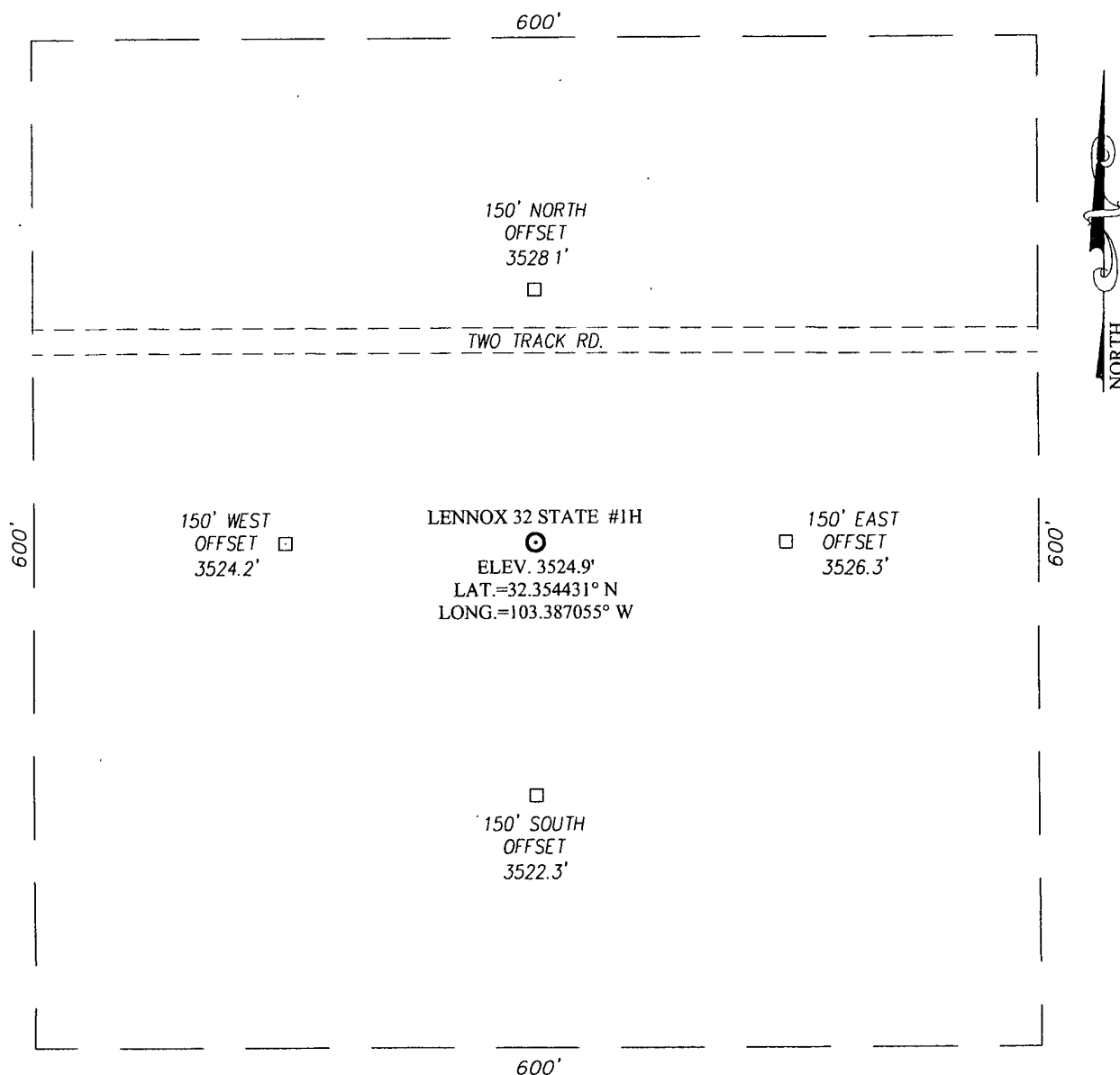
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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=493948.8 N X=792213.0 E LAT.=32.354431° N LONG.=103.387055° W BOTTOM HOLE LOCATION Y=489327.4 N X=792267.4 E		OPERATOR CERTIFICATION I hereby certify that the information herein is true and correct to the best of my knowledge and belief, and that my organization either owns a working interest or an 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. Signature: <i>Joe T. Janica</i> Date: 01/16/12 Printed Name: Joe T. Janica E-mail Address: joejanica@valornet.com
		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. JANUARY 4, 2012 Date of Survey: 01/11/2012 Signature of Professional Surveyor: <i>Ronald J. Eidson</i> Certificate Number: 3239 Surveyor Name: Ronald J. Eidson AF JWSC W.O. 11.11.2691

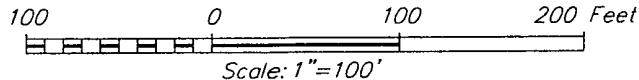
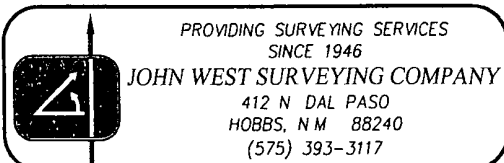
- CORNER COORDINATES TABLE
- ① - Y=494268.4 N, X=791559.7 E
 - ② - Y=494289.4 N, X=792873.8 E
 - ③ - Y=488991.4 N, X=791610.7 E
 - ④ - Y=489003.5 N, X=792930.5 E

SECTION 32, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. E-21
(DELAWARE BASIN-PAVED) AND CO. RD. E-11
(TEAGUE SWITCH-CALICHE). GO WEST ON DELAWARE
BASIN APPROX. 3.0 MILES. TURN RIGHT AND GO
NORTHWEST APPROX. 1.1 MILES. TURN LEFT ON TRAIL
ROAD AND GO APPROX. 0.4 MILES. TURN RIGHT AND
GO NORTHWEST APPROX. 0.45 MILES. TURN LEFT
AND GO WEST APPROX. 0.2 MILES. THIS LOCATION
STAKE IS 100 FEET SOUTH.

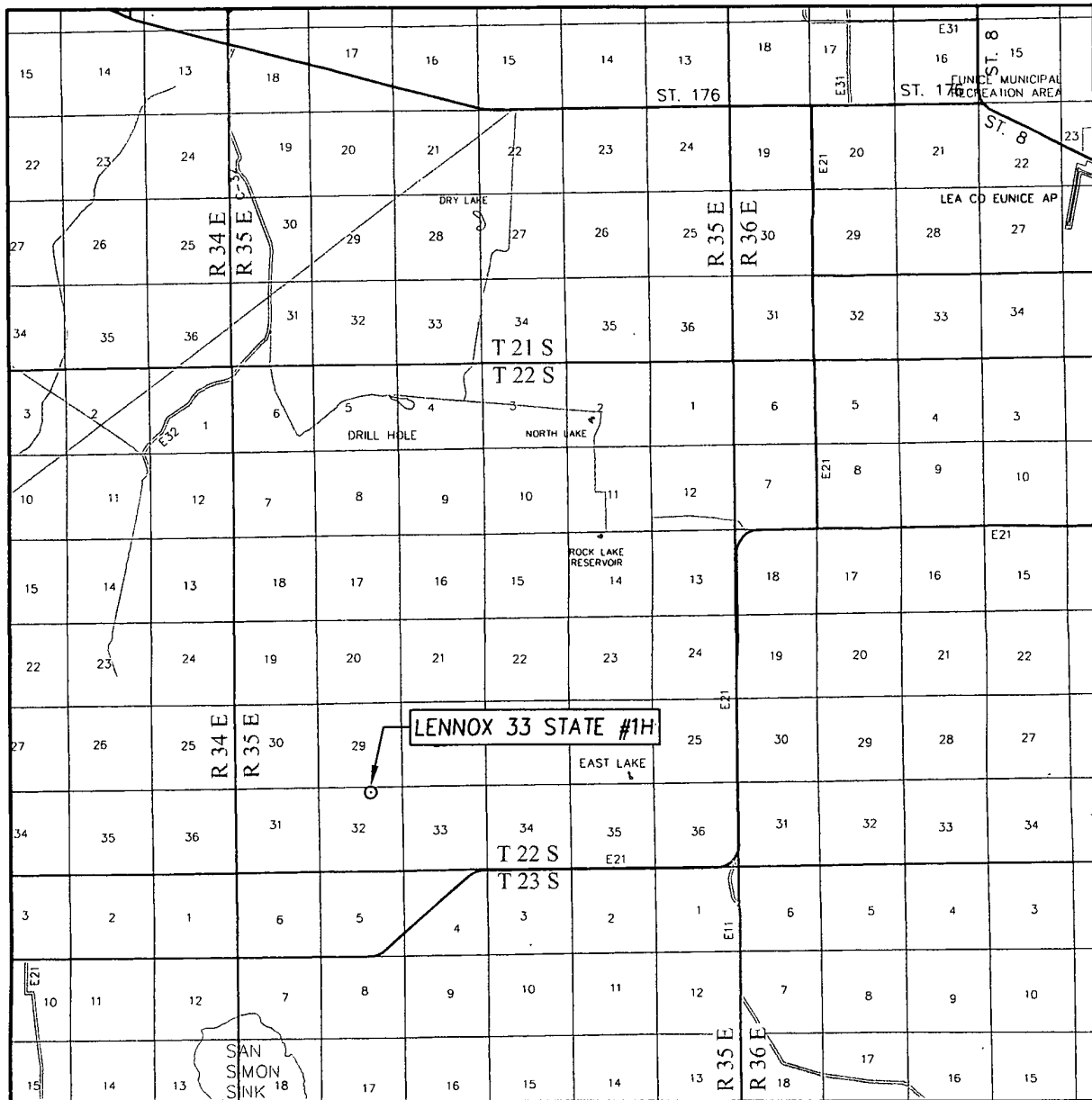


CAZA OPERATING, LLC

LENNOX 32 STATE #1H WELL
LOCATED 330 FEET FROM THE NORTH LINE
AND 1980 FEET FROM THE EAST LINE OF SECTION 32,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 1/4/12	Sheet 1 of 1 Sheets
W.O. Number. 11.11.2691	Dr. By: AF Rev 1:
Date: 1/11/12	Rel W.O. 11112691 Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 32 TWP. 22-S RGE. 35-E

SURVEY N M P M

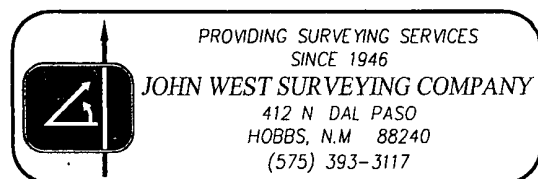
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FNL & 1980' FEL

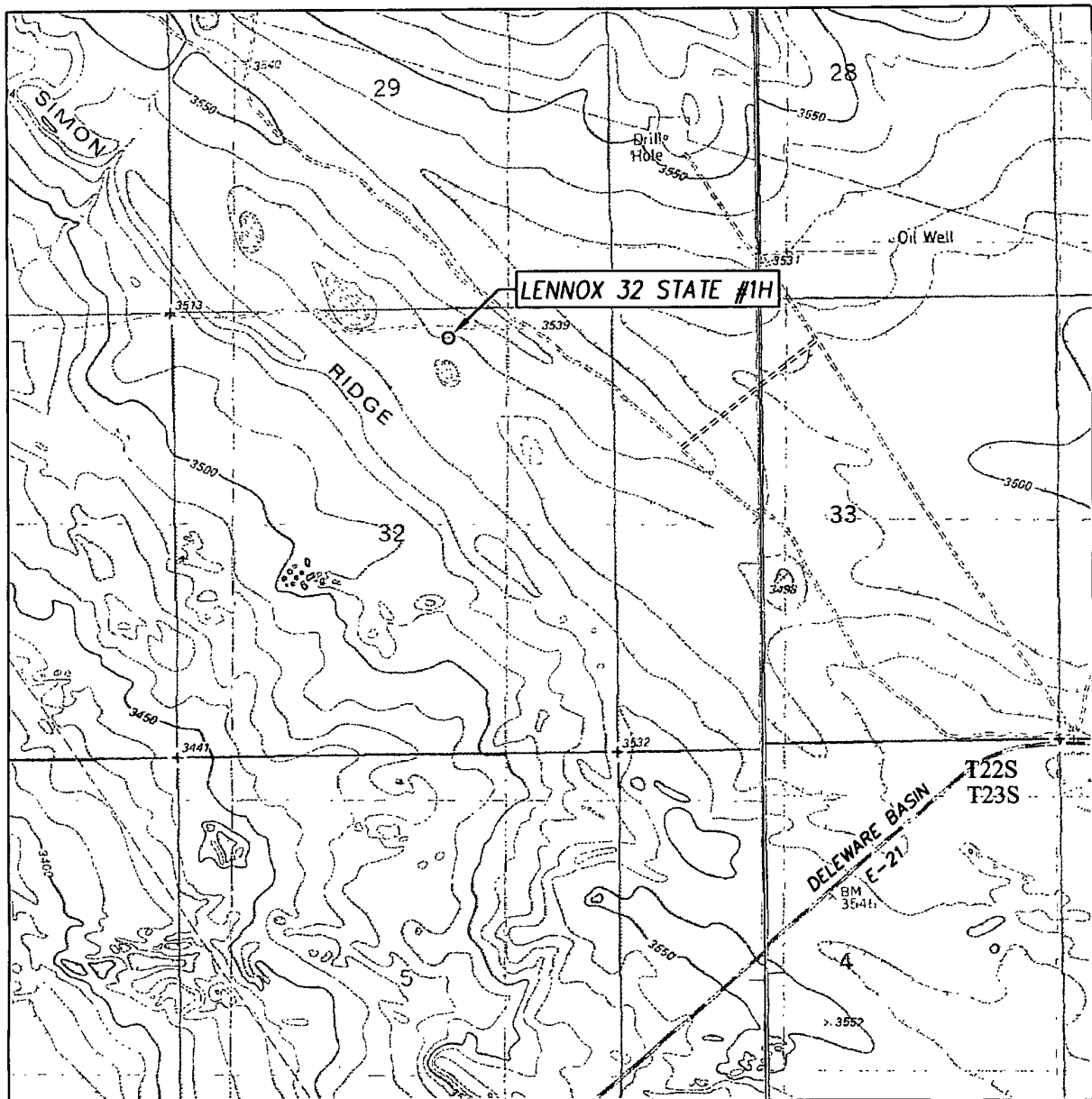
ELEVATION 3525'

OPERATOR CAZA OPERATING, LLC

LEASE LENNOX 32 STATE



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 32 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FNL & 1980' FEL

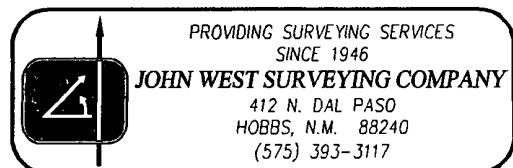
ELEVATION 3525'

OPERATOR CAZA OPERATING, LLC

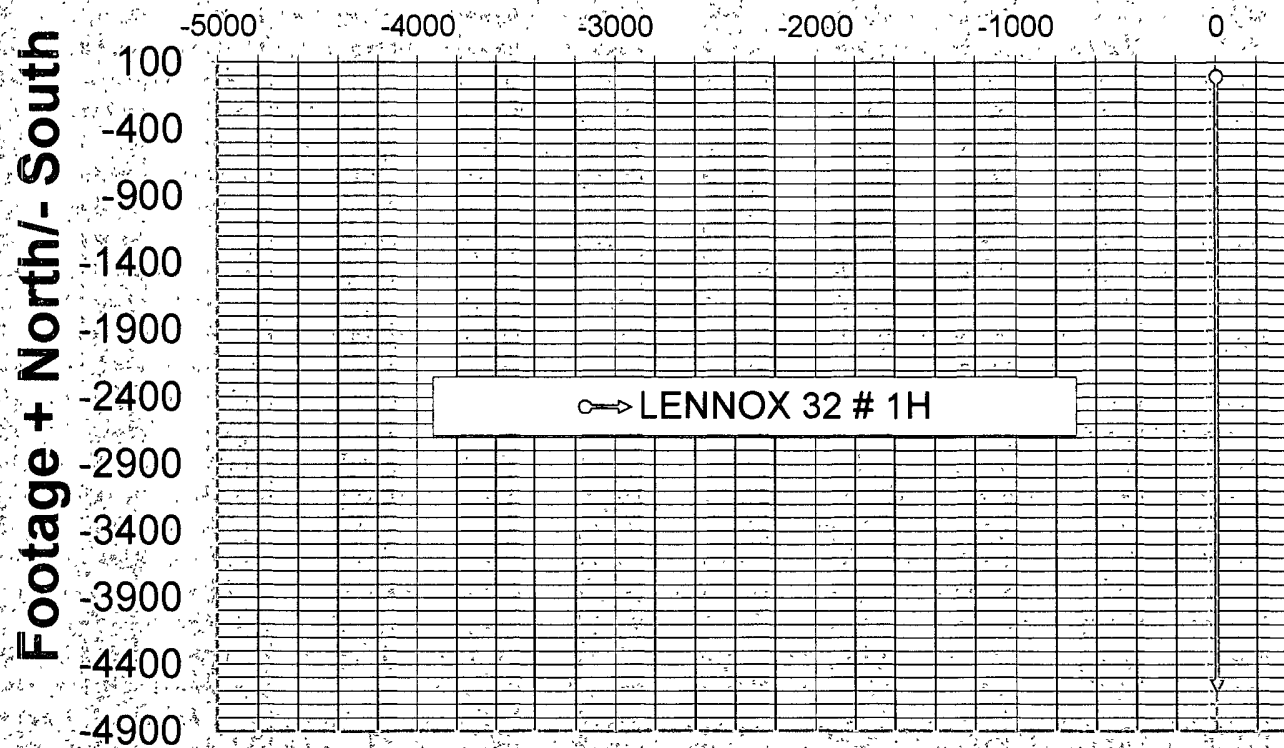
LEASE LENNOX 32 STATE

U.S.G.S. TOPOGRAPHIC MAP
SAN SIMON SINK, N.M.

CONTOUR INTERVAL:
SAN SIMON SINK, N.M. - 10'
EAST LAKE, N.M. - 10'

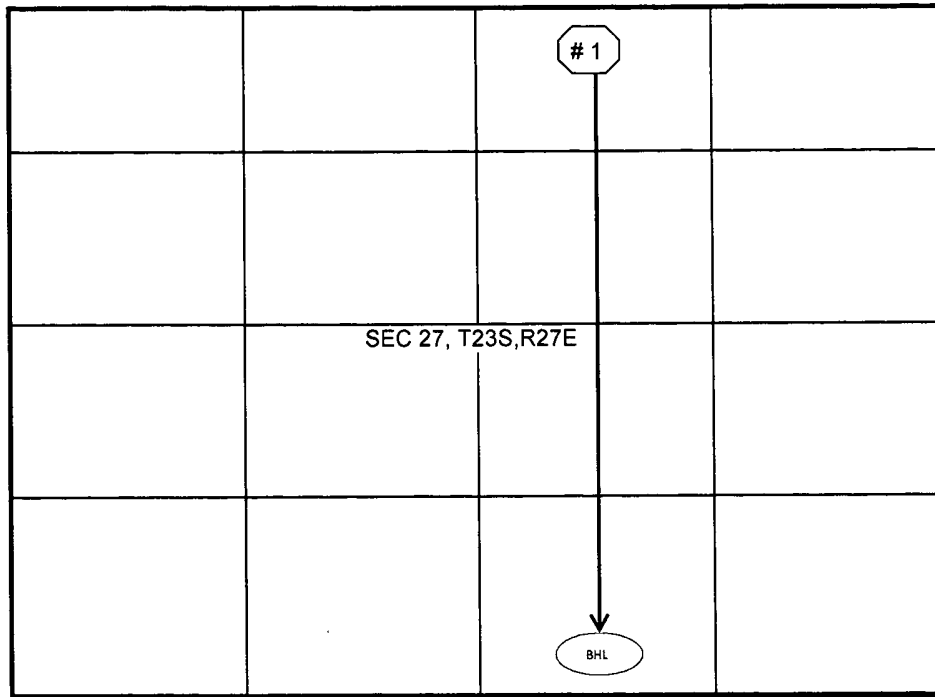


Horizontal Plane Footage +East/-West



LENNOX 32 # 1H 3rd Bones Springs Horizontal

Sec 32, T-22-S, R-35-E, Lea County, New Mexico



Well Name	Surface Location	Depth and Strata	Target TD	Bottom Hole Location	
LENNOX 32 # 1H	330 FNL & 1980 FEL	TD = 11,100 3rd Bone Springs Hr	13,500 Wifcmp	330 FSL & 1980 FEL	± 11,100 TVD

Description: Drill, Complete Horizontal 2nd Bone Sprg, 330 FNL & 330 FEL, Sec 32, T22S, R35E

KOP ± 10,524 ft. Horizontal @ 11,100 ft TVD. Measured Depth ± 15,502 ft. Lateral 4128 ft. BHL = 330 FSL & 330 FEL

LONG'S METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION

6000	MD OF INTERPOLATION DEPTH,(feet)
#N/A	TVD COORDINATE OF THE DEPTH (feet)
#N/A	N/S COORDINATE OF DEPTH (feet)
#N/A	E/W COORDINATE OF DEPTH (feet)

3 D DISTANCE BETWEEN STATION A AND STATION B

DISTANCE TABLE

STATION A	STATION B
400.00	600.00
300.00	400.00
100.00	300.00
300.00	ft

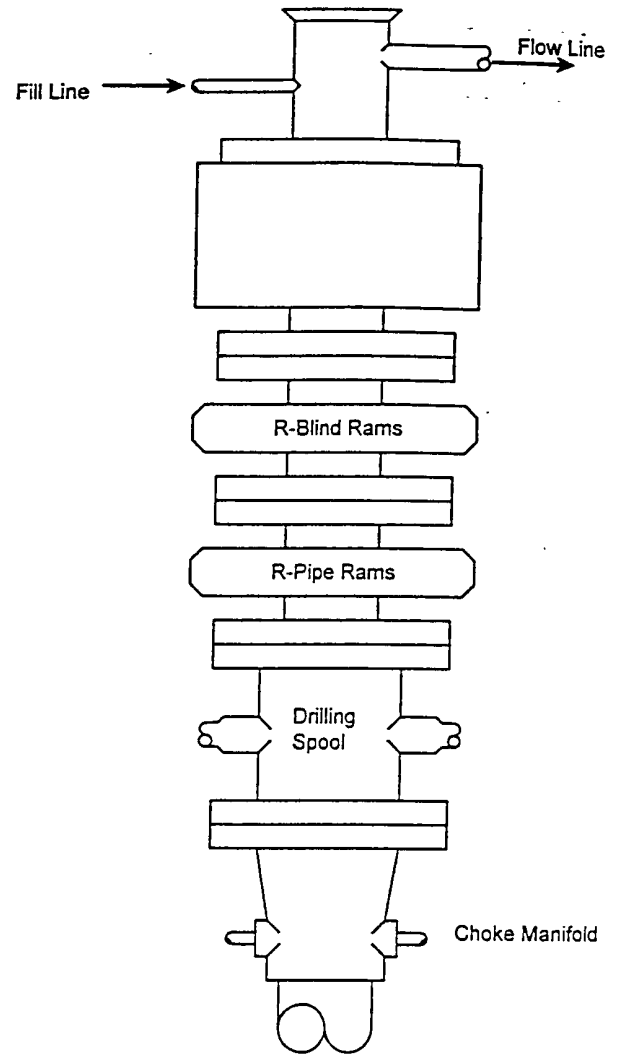
TABLE OF SURVEY STATIONS

Calculator =

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+/- ft	E+/-W- ft	DLS deg/100FT
1	TIE POINT =>	0	0	10524.00	10524.00	0.00	0.00	-
2	100	8	180	10624.00	10623.68	-6.97	0.00	8.00
3	100	12	180	10724.00	10722.14	-24.33	0.00	4.00
4	100	24	180	10824.00	10817.07	-55.18	0.00	12.00
5	100	36	180	10924.00	10903.51	-105.09	0.00	12.00
6	100	48	180	11024.00	10977.69	-171.88	0.00	12.00
7	100	60	180	11124.00	11036.36	-252.63	0.00	12.00
8	100	72	180	11224.00	11076.96	-343.82	0.00	12.00
9	100	84	180	11324.00	11097.71	-441.45	0.00	12.00
10	50	90	180	11374.00	11100.33	-491.36	0.00	12.00
11	100	90	180	11474.00	11100.33	-591.36	0.00	0.00
12	100	90	180	11574.00	11100.33	-691.36	0.00	0.00
13	100	90	180	11674.00	11100.33	-791.36	0.00	0.00
14	100	90	180	11774.00	11100.33	-891.36	0.00	0.00
15	100	90	180	11874.00	11100.33	-991.36	0.00	0.00
16	100	90	180	11974.00	11100.33	-1091.36	0.00	0.00
17	100	90	180	12074.00	11100.33	-1191.36	0.00	0.00
18	100	90	180	12174.00	11100.33	-1291.36	0.00	0.00
19	100	90	180	12274.00	11100.33	-1391.36	0.00	0.00
20	100	90	180	12374.00	11100.33	-1491.36	0.00	0.00
21	100	90	180	12474.00	11100.33	-1591.36	0.00	0.00
22	100	90	180	12574.00	11100.33	-1691.36	0.00	0.00
23	100	90	180	12674.00	11100.33	-1791.36	0.00	0.00
24	100	90	180	12774.00	11100.33	-1891.36	0.00	0.00
25	100	90	180	12874.00	11100.33	-1991.36	0.00	0.00
26	100	90	180	12974.00	11100.33	-2091.36	0.00	0.00
27	100	90	180	13074.00	11100.33	-2191.36	0.00	0.00
28	100	90	180	13174.00	11100.33	-2291.36	0.00	0.00
29	100	90	180	13274.00	11100.33	-2391.36	0.00	0.00
30	100	90	180	13374.00	11100.33	-2491.36	0.00	0.00
31	100	90	180	13474.00	11100.33	-2591.36	0.00	0.00
32	100	90	180	13574.00	11100.33	-2691.36	0.00	0.00
33	100	90	180	13674.00	11100.33	-2791.36	0.00	0.00
34	100	90	180	13774.00	11100.33	-2891.36	0.00	0.00
35	100	90	180	13874.00	11100.33	-2991.36	0.00	0.00
36	100	90	180	13974.00	11100.33	-3091.36	0.00	0.00
37	100	90	180	14074.00	11100.33	-3191.36	0.00	0.00
38	100	90	180	14174.00	11100.33	-3291.36	0.00	0.00
39	100	90	180	14274.00	11100.33	-3391.36	0.00	0.00
40	100	90	180	14374.00	11100.33	-3491.36	0.00	0.00
41	100	90	180	14474.00	11100.33	-3591.36	0.00	0.00
42	100	90	180	14574.00	11100.33	-3691.36	0.00	0.00
43	100	90	180	14674.00	11100.33	-3791.36	0.00	0.00
44	100	90	180	14774.00	11100.33	-3891.36	0.00	0.00
45	100	90	180	14874.00	11100.33	-3991.36	0.00	0.00
46	100	90	180	14974.00	11100.33	-4091.36	0.00	0.00
47	100	90	180	15074.00	11100.33	-4191.36	0.00	0.00
48	100	90	180	15174.00	11100.33	-4291.36	0.00	0.00
49	100	90	180	15274.00	11100.33	-4391.36	0.00	0.00
50	100	90	180	15374.00	11100.33	-4491.36	0.00	0.00
51	100	90	180	15474.00	11100.33	-4591.36	0.00	0.00
52	28	90	180	15502.00	11100.33	-4619.36	0.00	0.00

BLOWOUT PREVENTER SYSTEM

3000 PSI



Type 900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System

