

HOBBS OCD

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 87501

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
June 16, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address CAZA OPERATING, LLC. 200 NORTH LORAIN SUITE 1550 MIDLAND, TEXAS 79701		OGRID Number 249099
		API Number 30-025-40451
Property Code 39019	Property Name LENNOX "32" STATE	Well No. 2H
Proposed Pool 1 ROCK LAKE-BONE SPRING		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
A	32	22S	35E		330'	NORTH	660'	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
P	32	22S	35E		330'	SOUTH	660'	EAST	LEA

Additional Well Information

Work Type Code N	Well Type Code O	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 3536'
Multiple NO	Proposed Depth TVD-11,100'	Formation BONE SPRING	Contractor UNKNOWN	Sand Date WHEN APPROVED

MD-15,502'

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 1/4"	9 5/8"	40 #	4900'	1147 Sx.	Surface
8 3/4"	7"	26##	11,500'	1037 Sx.	Est TOC 4400'
6 1/8"	4 1/2"	11.6#	15,502'	246 Sx.	Liner top 10,419'

= 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.

*** TOC MUST TIE BACK IN
AT LEAST 500' ABOVE SHOE**

SEE ATTACHED SHEET FOR DETAIL

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

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: PETROLEUM ENGINEER	
Title: Permit Eng.		Approval Date: FEB 22 2012	Expiration Date:
E-mail Address: joejanica@valornet.com			
Date: 02/22/12	Phone: 575-391-8503	Conditions of Approval Attached ☐	

FEB 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 POZ Class "C" cement + 5% Salt, Yield 1.89, tail in with 200 Sx. of Class "C" cement + 2% CaCl, yield 1.32. 50% Excess, circulate cement to surface.
3. Drill 12¼" hole to 4900'. Run and set 4900' of 9 5/8" 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 cement + 5% Salt, + 6% Gel, Yield 2.09, tail in 200 Sx. of Class "C" cement + 1% CaCl, Yield 1.32, 50% Excess, circulate cement to surface.
4. Drill 8 3/4" hole to 11,500'. Run open hole logs. Run and set 11,500' of 7" 26# 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 Class "H" POZ cement + 5# Gilsonite/Sx. + 5# Gilsonite/Sx., + 0.25# Cello Flakes/Sx., + 0.25% Econolite, Yield 1.3 Excess 35%, estimate top of cement 4400' from surface.
5. Set whipstock at 10,400'± cut hole in 7" casing start building curve, drill with 6 1/8" bit and drill to 15,502'. Run and set a 5083' 4½" liner, hang at 10,419±' Cement with 246 Sx. of Class "H" SoluCem, + fluid loss control additive, + De-foamer, Yield 2.61, top of cement top of liner 10,419±'.

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
Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
FEB 22 2012 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

RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025-40451	Pool Code S2766	Pool Name ROCK LAKE-BONE SPRING
Property Code 39019	Property Name LENNOX UNIT STATE 32	Well Number 2H
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Elevation 3536'

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	32	22-S	35-E		330	NORTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

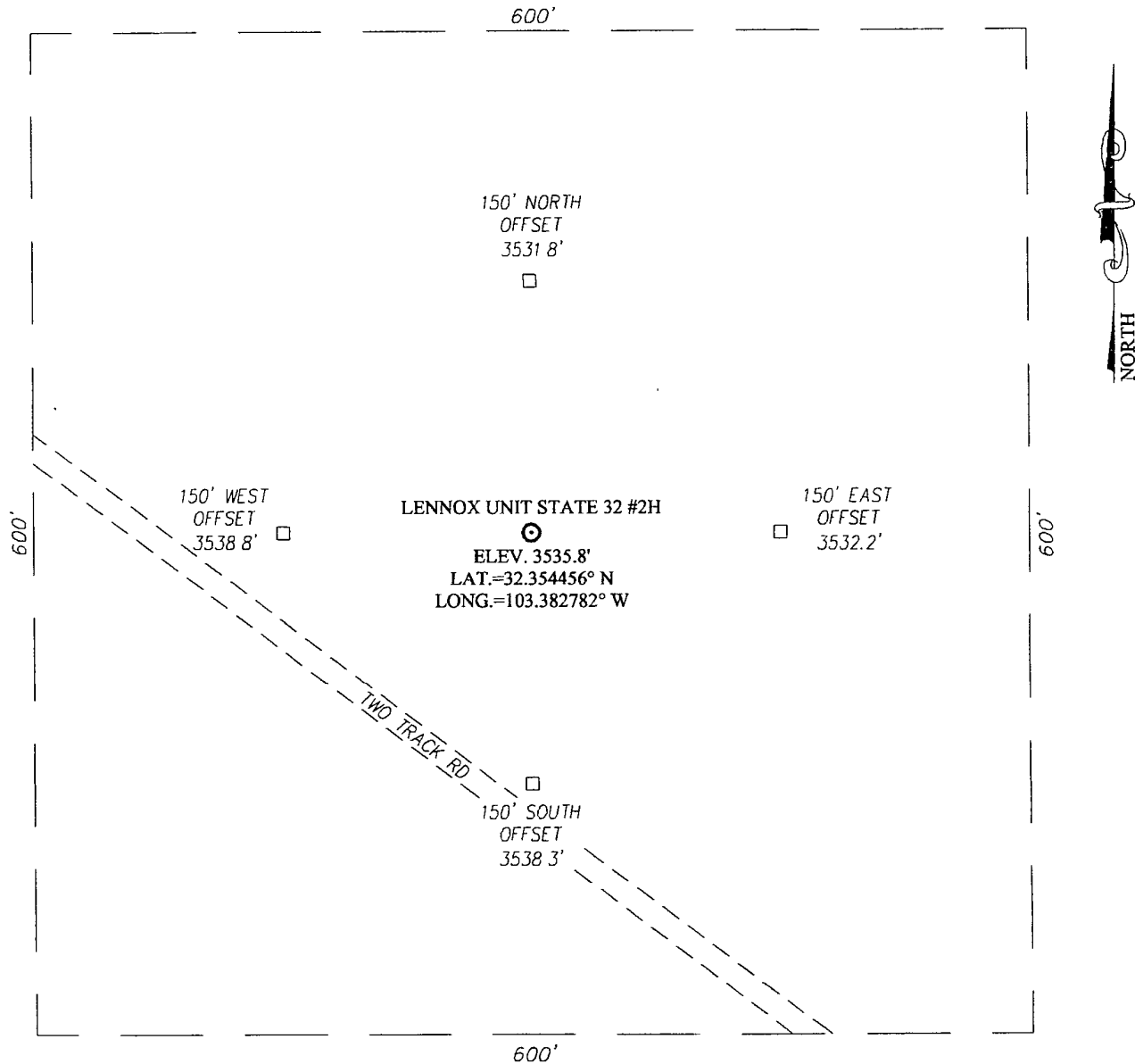
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	22-S	35-E		330	SOUTH	660	EAST	LEA

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

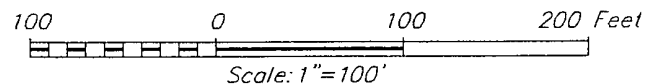
435' FNL POE & 660' FEL GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=493969.9 N X=793532.5 E LAT.=32.354456° N LONG=103.382782° W BOTTOM HOLE LOCATION Y=489339.5 N X=793587.1 E PRODUCING AREA PROJECT AREA GRID AZ = 179°19'27" HORIZ DIST. = 4631.6' CORNER COORDINATES TABLE (A) - Y=494289.4 N, X=792873.8 E (B) - Y=494310.3 N, X=794187.9 E (C) - Y=489003.5 N, X=792930.5 E (D) - Y=489015.6 N, X=794250.3 E	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. <i>Joe T. Janica</i> Signature Date Printed Name Joe T. Janica 02/22/12 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. FEBRUARY 15, 2012 Date of Survey Signature & Seal of Professional Surveyor: GARY G. EIDSON 12641 Ronald J. Eidson 3239 Certificate Number AF RWSC W.O.: 12.11.0205
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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 E11 (TEAGUE SWITCH) AND
 CO RD E21 (DELAWARE BASIN RD) GO WEST ON CO. RD E21
 APPROX 2.9 MILES TURN RIGHT AND GO NORTHWEST APPROX
 1.1 MILES TURN LEFT AND GO SOUTHWEST APPROX 0.4 MILE.
 TURN RIGHT AND GO NORTHWEST APPROX. 0.4 MILES. THIS
 LOCATION IS 150 FEET NORTH



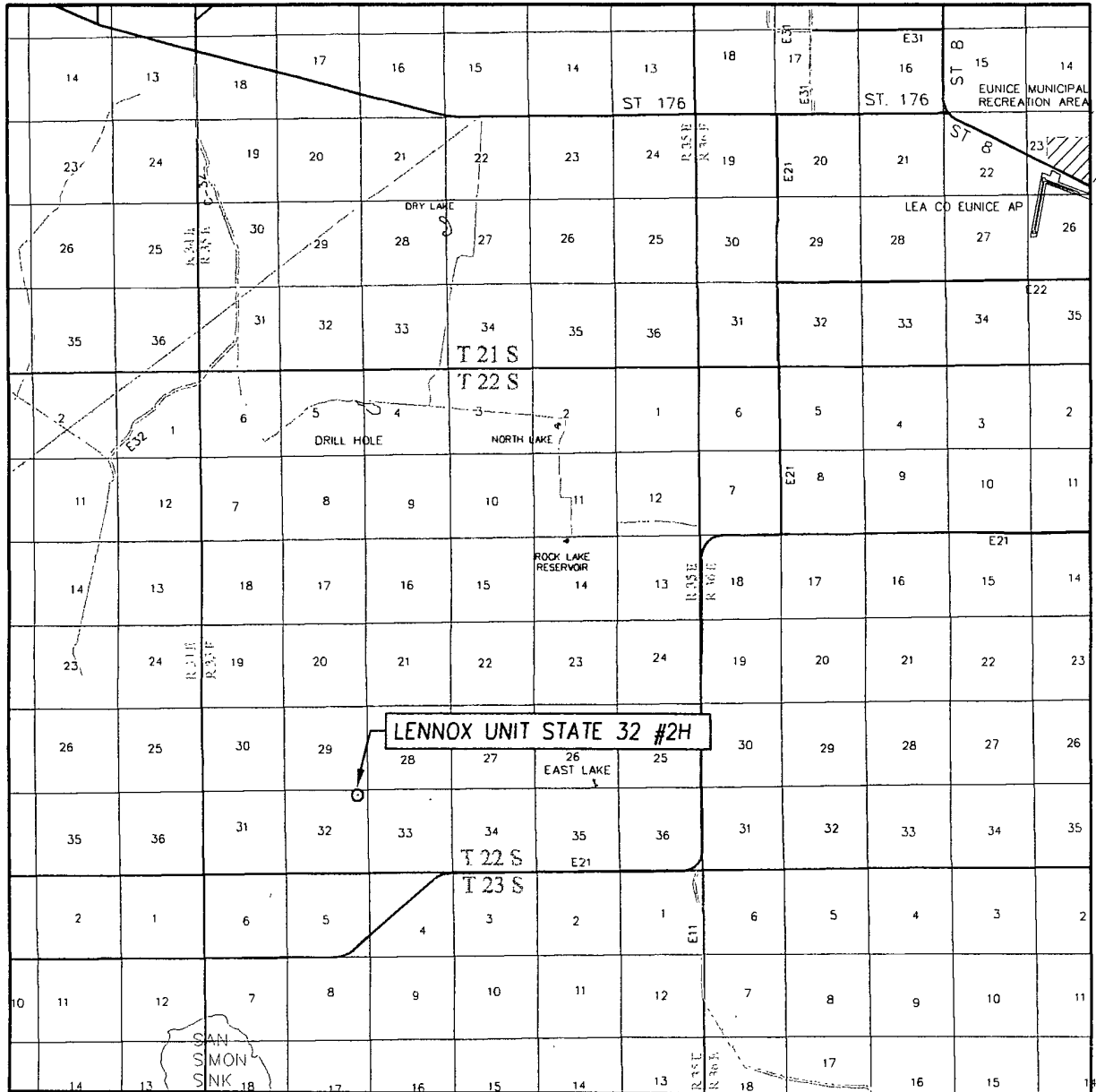
CAZA OPERATING, LLC

LENNOX UNIT STATE 32 #2H WELL
LOCATED 330 FEET FROM THE NORTH LINE
AND 660 FEET FROM THE EAST LINE OF SECTION 32,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA 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

Survey Date: 02/15/12	CAD Date: 02/20/12	Drawn By: AF
W.O. No.: 12110205	Rev	Rel. W.O.
		Sheet 1 of 1

VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M

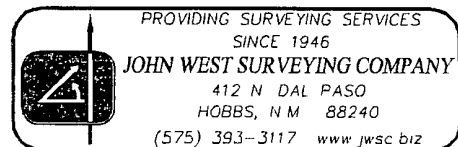
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FNL & 660' FEL

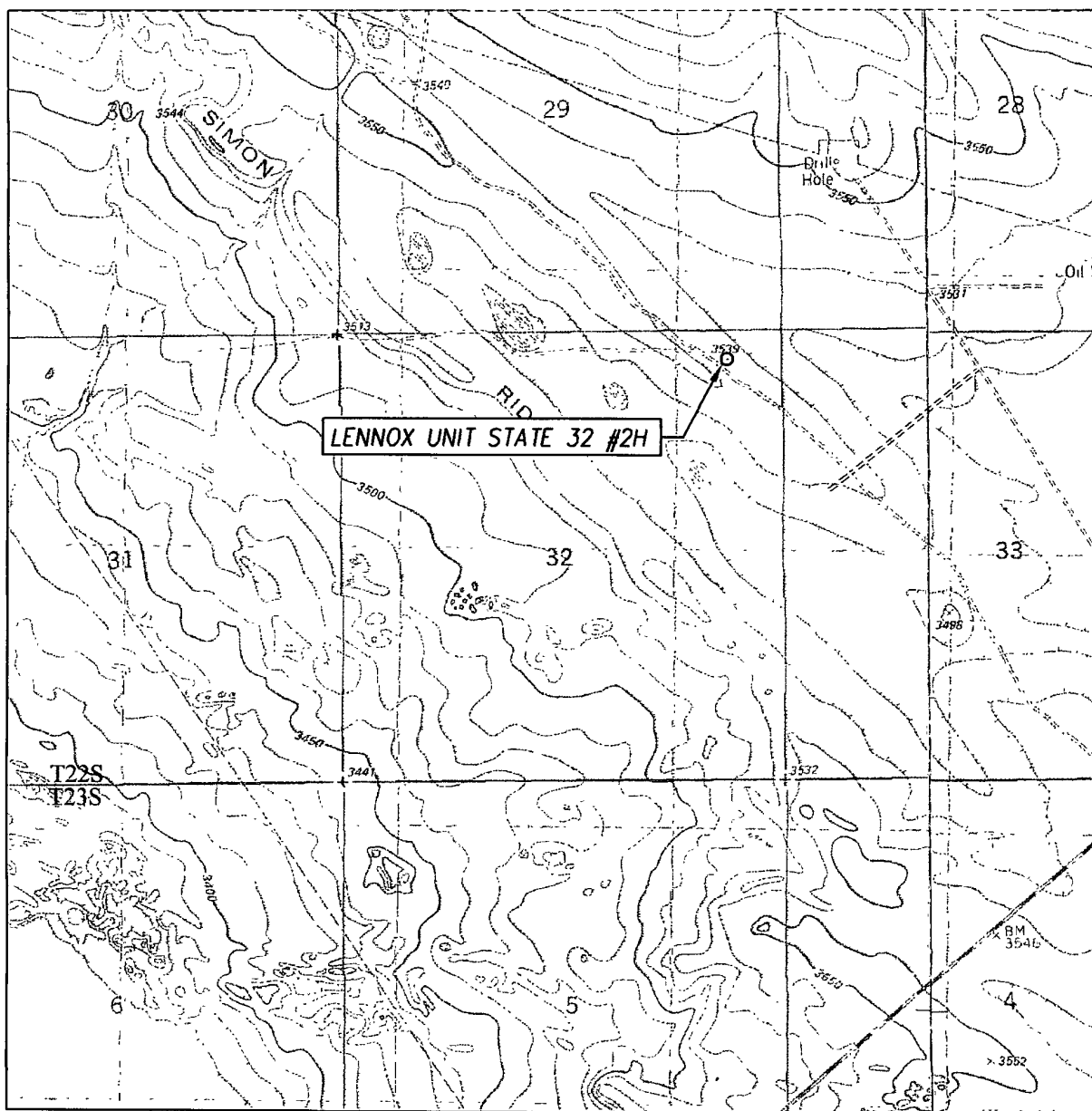
ELEVATION 3536'

OPERATOR CAZA OPERATING, LLC

LEASE LENNOX UNIT STATE 32



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

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

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

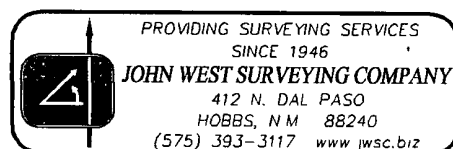
DESCRIPTION 330' FNL & 660' FEL

ELEVATION 3536'

OPERATOR CAZA OPERATING, LLC

LEASE LENNOX UNIT STATE 32

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



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

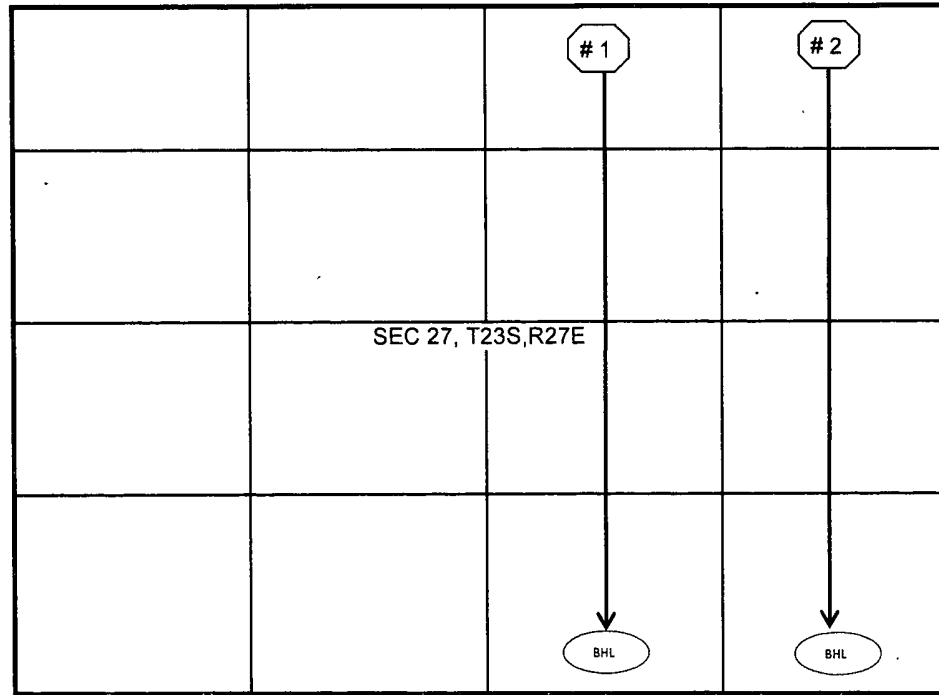
TABLE OF SURVEY STATIONS

Calculator =

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+/S- 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

LENNOX 32 # 2H 3rd Bones Springs Horizontal

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



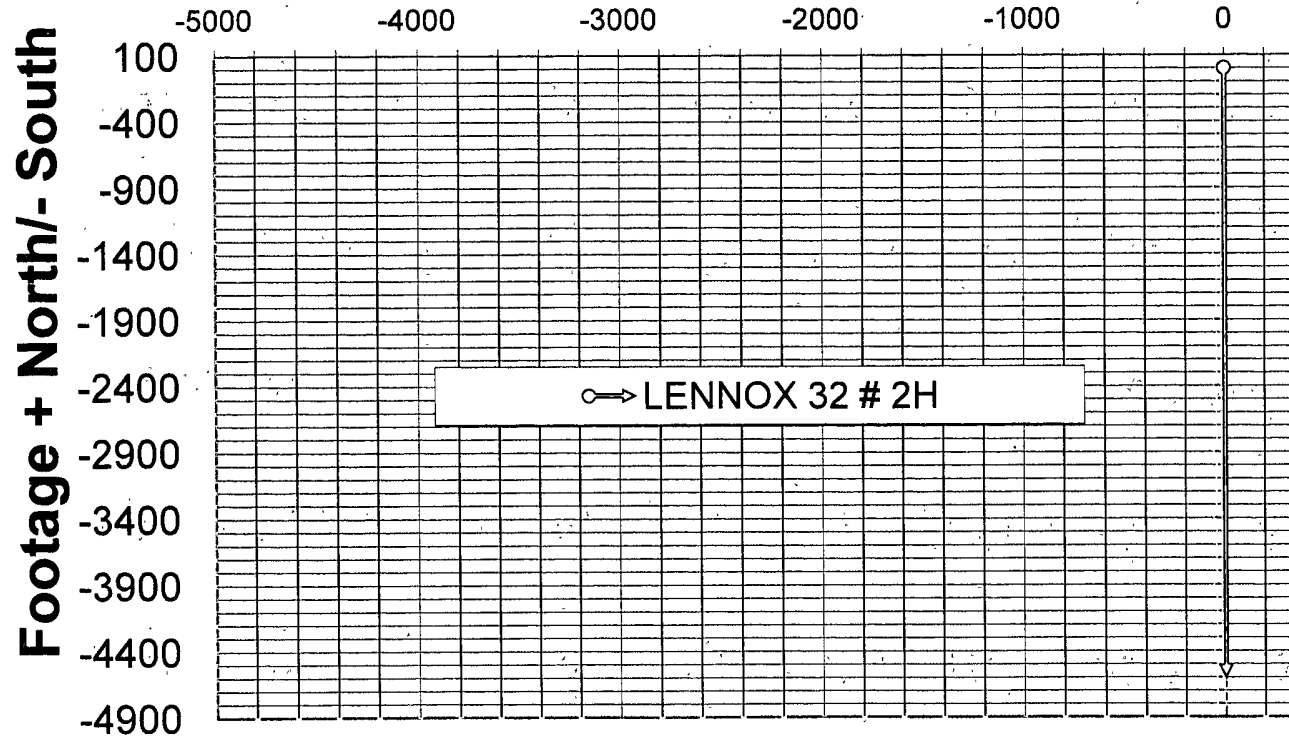
Well Name	Surface Location	Depth and Strata	Target TD	Bottom Hole Location	
LENNOX 32 # 1H	330 FNL & 1980 FEL	TD = 11,100 3rd Bone Sprgs Hrzs	13,500 Wlfcmp	330 FSL & 1980 FEL	± 11,100 T
LENNOX 32 # 2H	330 FNL & 660 FEL	TD = 11,100 3rd Bone Sprgs Hrzs	13,500 Wlfcmp	330 FSL & 660 FEL	± 11,100 T

Directional Plan Summary.

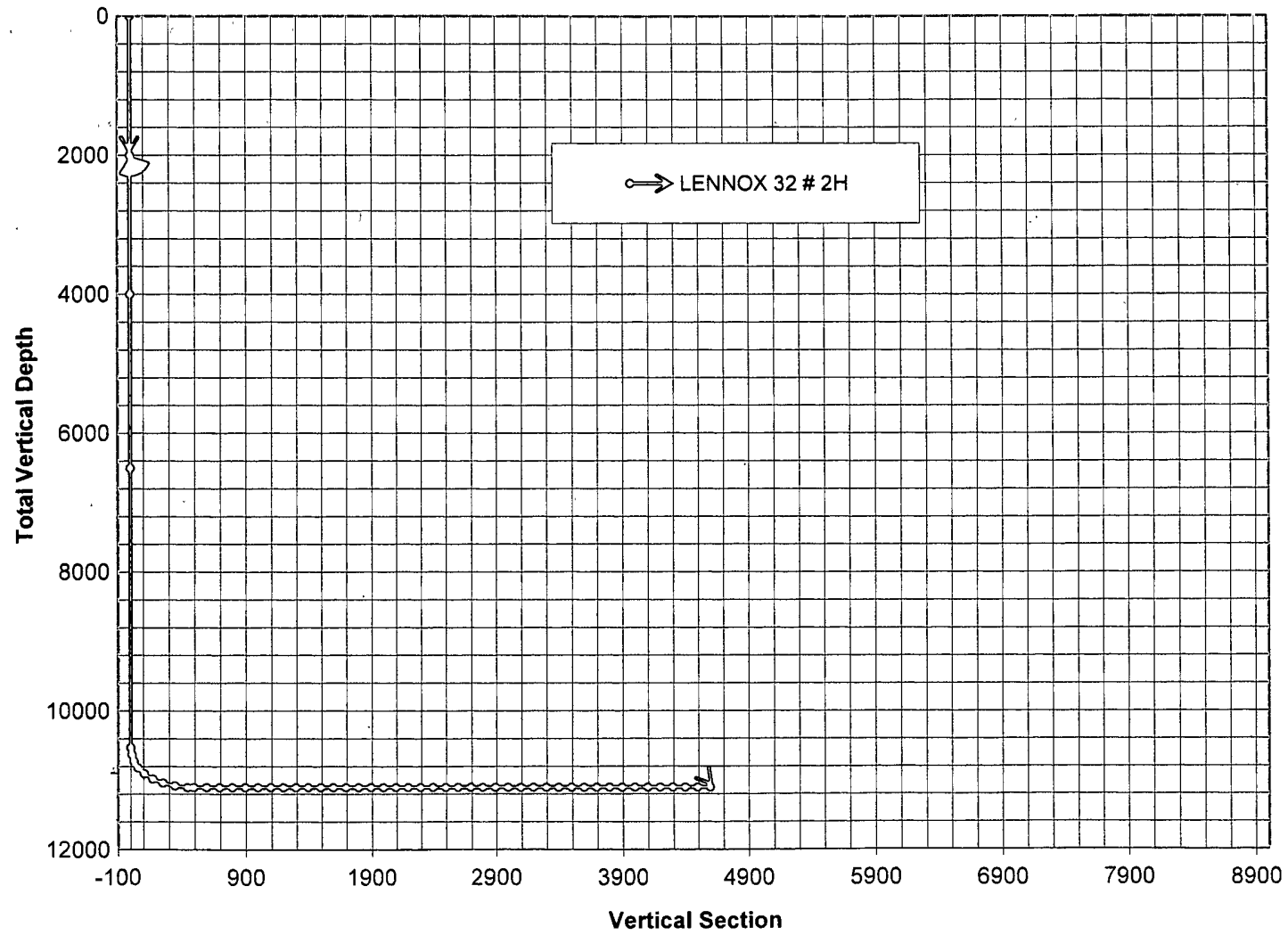
KOP= ± 10,524 ft MD.

EOC = 11,374 MD.

Horizontal Plane Footage +East/-West

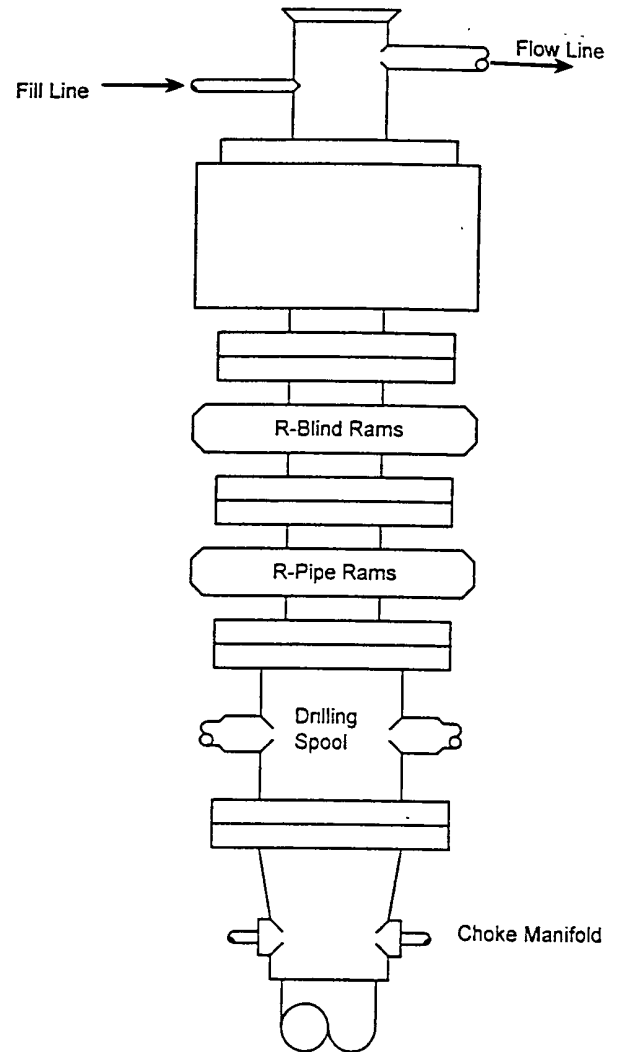


LENNOX 32 # 1H



BLOWOUT PREVENTER SYSTEM

5000 PSI



Type 1500 SERIES
5000 psi WP

Choke Manifold Assembly for 5M WP System

