

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

Form C-101
June 16, 2008

FEB 22 2012

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

Submit to appropriate District Office

☐ 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 LORAIN SUITE 1550 MIDLAND, TEXAS 79701		OGRID Number 249099
Property Code 39017		Property Name LENNOX "33" STATE
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
E	33	22S	35E		1860'	NORTH	330'	WEST	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
H	33	22S	35E		2300'	NORTH	330'	EAST	LEA

Work Type Code N	Well Type Code O	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 3531'
Multiple NO	Proposed Depth TVD-11,100'	Formation BONE SPRING	Contractor UNKNOWN	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"	48#	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' FS
6 1/8"	4.5"	11.6#	15,519'	246 Sx.	Top of Liner 10,436±'

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.

*** CEMENT MUST TIE BACK -
IN AT LEAST 500' ABOVE SHORE**

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 SEE ABOVE	

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 10,436±'

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

FEB 22 2012

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025-40452	Pool Code 52766	Pool Name ROCK LAKE-BONE SPRING
Property Code 39017	Property Name LENNOX UNIT STATE 33	Well Number 2H
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Elevation 3531'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	22-S	35-E		1860	NORTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

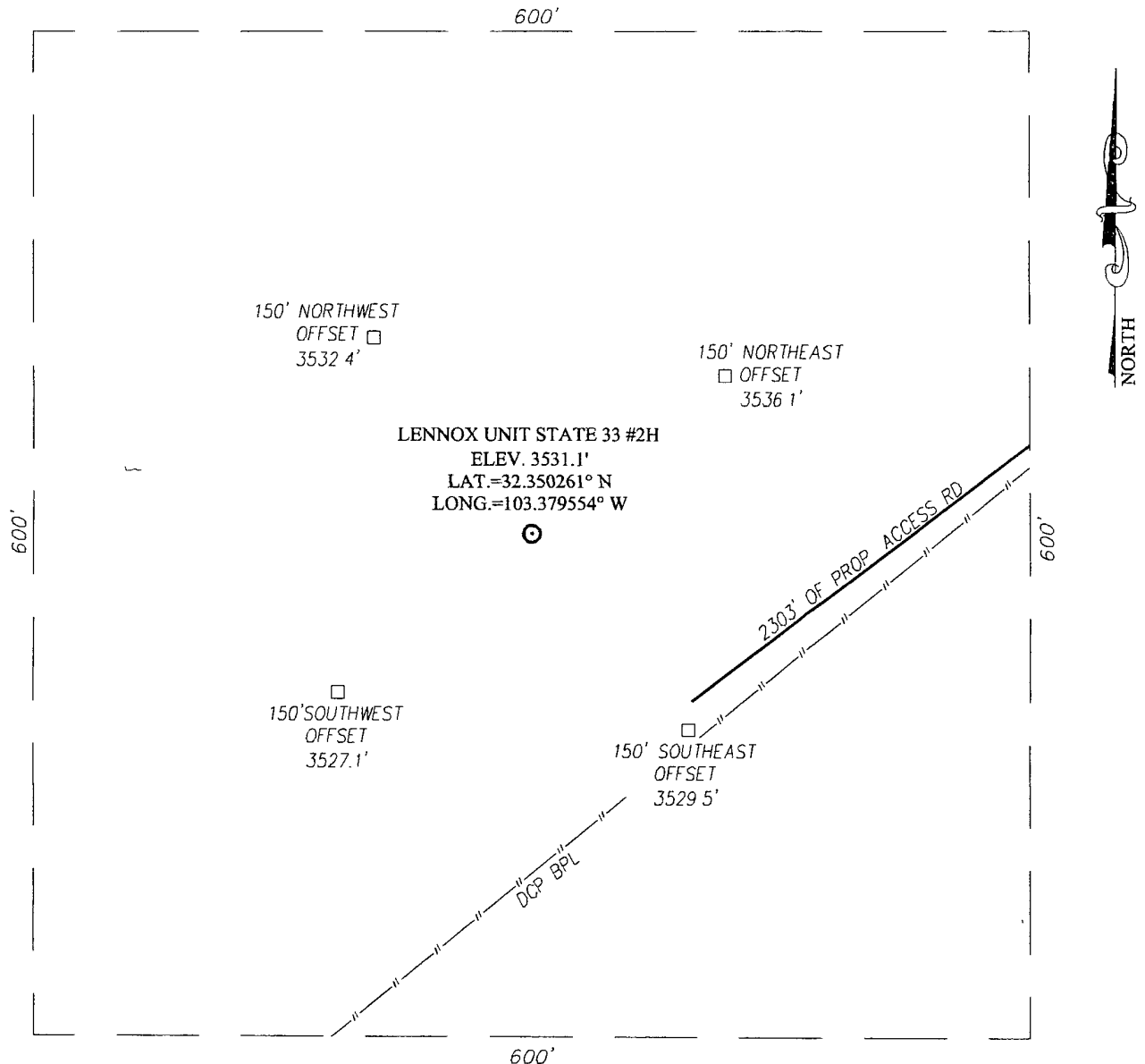
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	22-S	35-E		2300	NORTH	330	EAST	LEA

Dedicated Acres 160	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

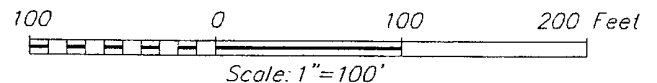
	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this 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 Joe T. Janica 02/22/12 Printed Name joejanica@valornet.com E-mail Address
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=492452.5 N X=794542.9 E LAT=32.350261° N LONG.=103.379554° W BOTTOM HOLE LOCATION Y=492044.8 N X=799172.6 E CORNER COORDINATES TABLE ① - Y=492983.6 N, X=794205.8 E ② - Y=493027.2 N, X=799493.9 E ③ - Y=491656.9 N, X=794223.6 E ④ - Y=491707.3 N, X=799505.5 E	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: Certificate Number Gary G. Eidson 12641 Ronald D. Eidson 3239 AP

SECTION 33, 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) AND GO WEST ON CO RD E21 APPROX 2.9 MILES TURN RIGHT AND GO NORTHWEST APPROX 1.1 MILES TO AN EXISTING DLP PIPELINE RD. TURN LEFT AND GO SOUTHWEST APPROX 0.45 MILES THE LOCATION STAKE IS APPROX 210 FEET WEST OF THE LEASE ROAD



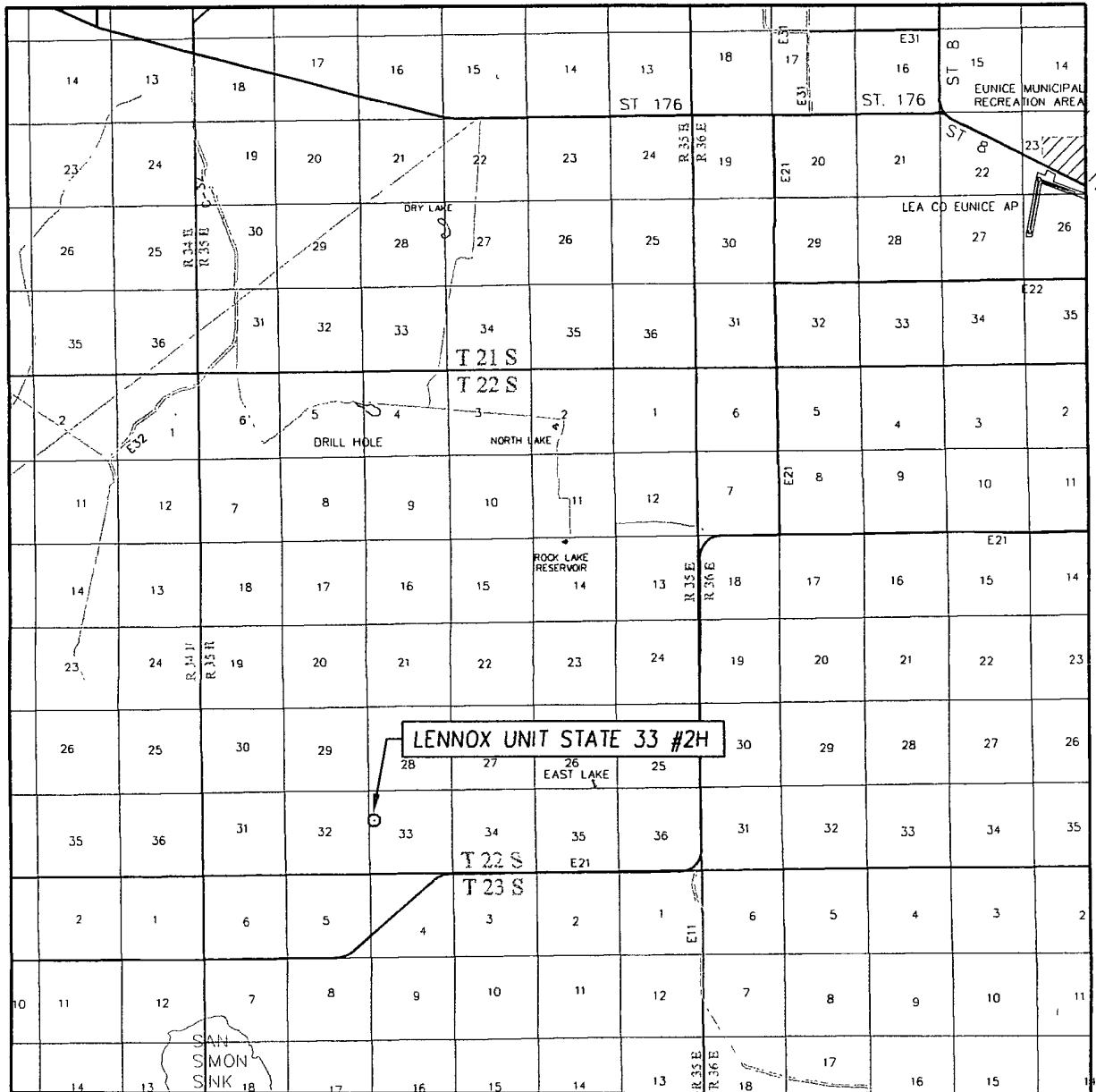
CAZA OPERATING, LLC

LENNOX UNIT STATE 33 #2H WELL
LOCATED 1860 FEET FROM THE NORTH LINE
AND 330 FEET FROM THE WEST LINE OF SECTION 33,
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. 12110206	Rev	Rel W.O.
Sheet 1 of 1		

VICINITY MAP



SCALE: 1" = 2 MILES

SEC 33 TWP. 22-S RGE 35-E

SURVEY N.M.P.M.

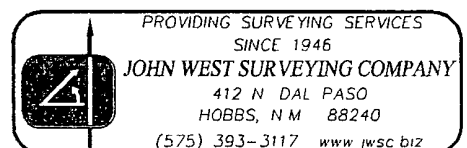
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1860' FNL & 330' FWL

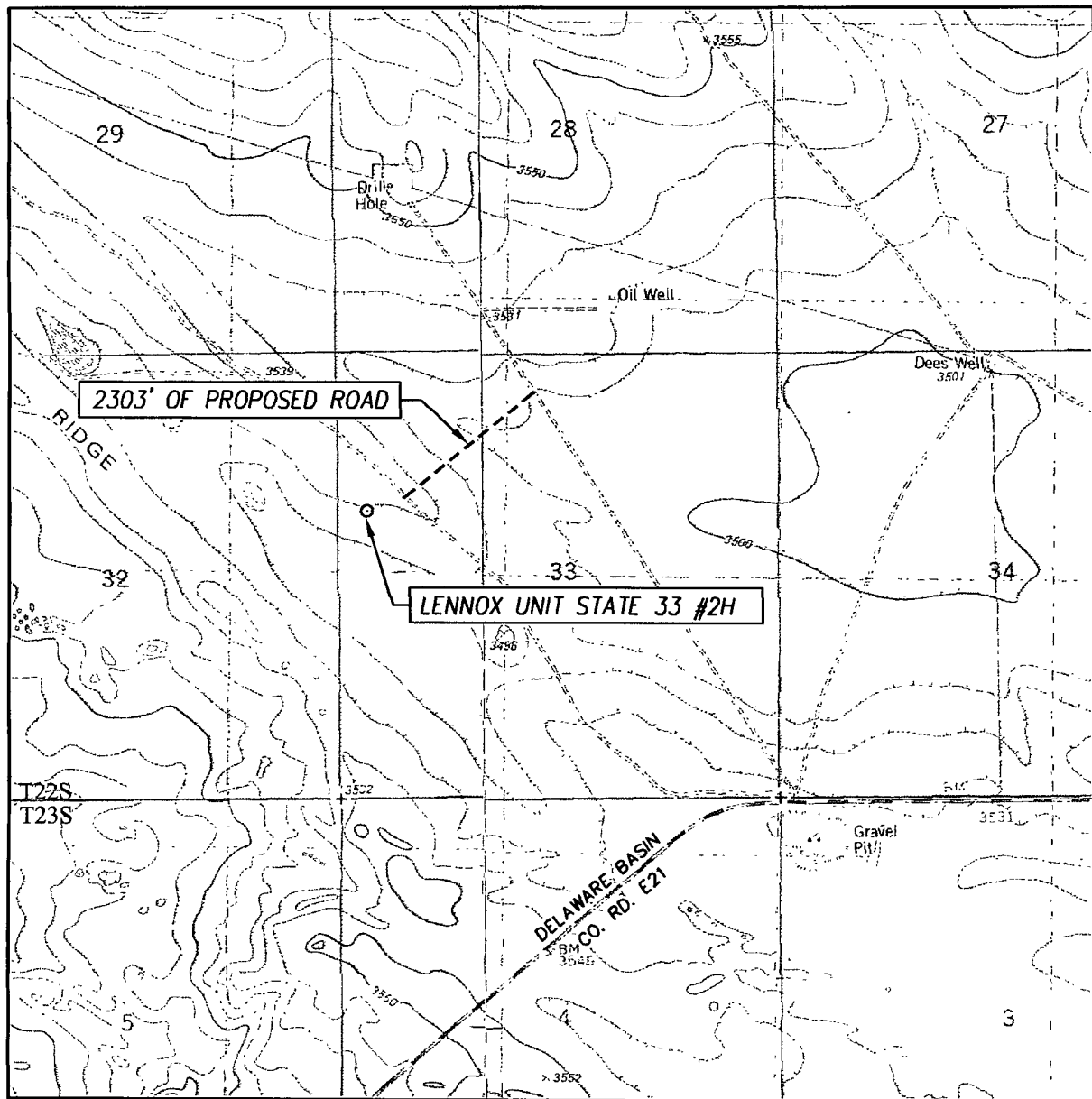
ELEVATION 3531'

OPERATOR CAZA OPERATING, LLC

LEASE LENNOX UNIT STATE 33



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 33 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1860' FNL & 330' FWL

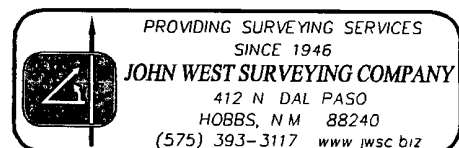
ELEVATION 3531'

OPERATOR CAZA OPERATING, LLC

LEASE LENNOX UNIT STATE 33

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

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



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

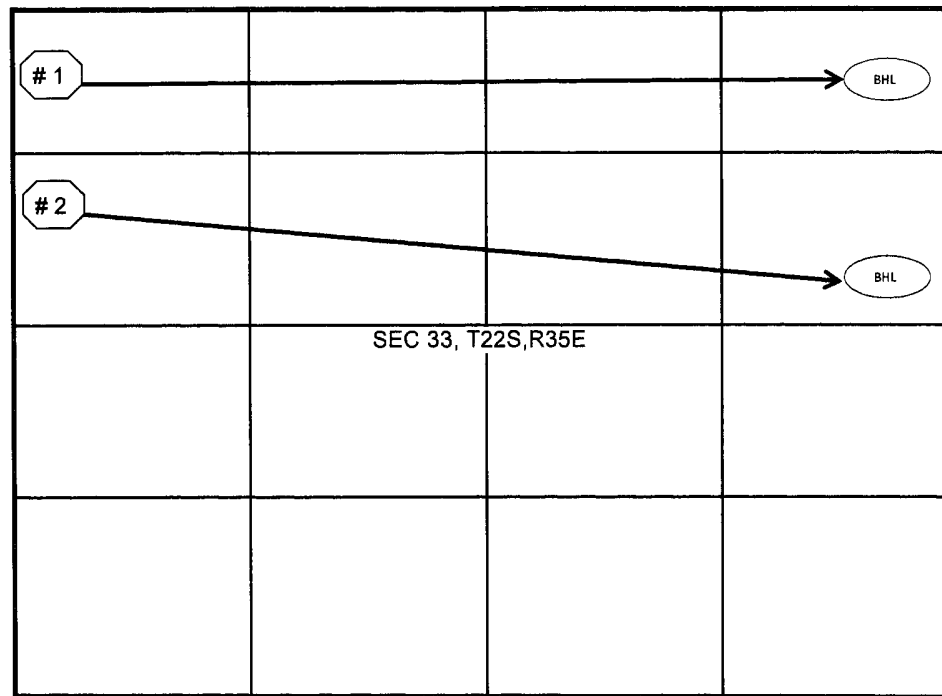
TABLE OF SURVEY STATIONS

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	10623.00	10623.00	0.00	0.00	-
2	100	12	95.44033	10723.00	10722.27	-0.99	10.39	12.00
3	100	24	95.44033	10823.00	10817.20	-3.91	41.09	12.00
4	100	36	95.44033	10923.00	10903.65	-8.65	90.78	12.00
5	100	48	95.44033	11023.00	10977.83	-14.98	157.27	12.00
6	100	60	95.44033	11123.00	11036.50	-22.63	237.66	12.00
7	100	72	95.44033	11223.00	11077.10	-31.28	328.43	12.00
8	100	84	95.44033	11323.00	11097.85	-40.54	425.63	12.00
9	50	90	95.44033	11373.00	11100.46	-45.27	475.31	12.00
10	100	90	95.44033	11473.00	11100.46	-54.75	574.86	0.00
11	100	90	95.44033	11573.00	11100.46	-64.23	674.41	0.00
12	100	90	95.44033	11673.00	11100.46	-73.71	773.96	0.00
13	100	90	95.44033	11773.00	11100.46	-83.19	873.51	0.00
14	100	90	95.44033	11873.00	11100.46	-92.67	973.06	0.00
15	100	90	95.44033	11973.00	11100.46	-102.15	1072.61	0.00
16	100	90	95.44033	12073.00	11100.46	-111.63	1172.16	0.00
17	100	90	95.44033	12173.00	11100.46	-121.12	1271.71	0.00
18	100	90	95.44033	12273.00	11100.46	-130.60	1371.26	0.00
19	100	90	95.44033	12373.00	11100.46	-140.08	1470.81	0.00
20	100	90	95.44033	12473.00	11100.46	-149.56	1570.36	0.00
21	100	90	95.44033	12573.00	11100.46	-159.04	1669.91	0.00
22	100	90	95.44033	12673.00	11100.46	-168.52	1769.46	0.00
23	100	90	95.44033	12773.00	11100.46	-178.00	1869.01	0.00
24	100	90	95.44033	12873.00	11100.46	-187.48	1968.56	0.00
25	100	90	95.44033	12973.00	11100.46	-196.96	2068.11	0.00
26	100	90	95.44033	13073.00	11100.46	-206.44	2167.66	0.00
27	100	90	95.44033	13173.00	11100.46	-215.92	2267.21	0.00
28	100	90	95.44033	13273.00	11100.46	-225.41	2366.76	0.00
29	100	90	95.44033	13373.00	11100.46	-234.89	2466.31	0.00
30	100	90	95.44033	13473.00	11100.46	-244.37	2565.85	0.00
31	100	90	95.44033	13573.00	11100.46	-253.85	2665.40	0.00
32	100	90	95.44033	13673.00	11100.46	-263.33	2764.95	0.00
33	100	90	95.44033	13773.00	11100.46	-272.81	2864.50	0.00
34	100	90	95.44033	13873.00	11100.46	-282.29	2964.05	0.00
35	100	90	95.44033	13973.00	11100.46	-291.77	3063.60	0.00
36	100	90	95.44033	14073.00	11100.46	-301.25	3163.15	0.00
37	100	90	95.44033	14173.00	11100.46	-310.73	3262.70	0.00
38	100	90	95.44033	14273.00	11100.46	-320.21	3362.25	0.00
39	100	90	95.44033	14373.00	11100.46	-329.70	3461.80	0.00
40	100	90	95.44033	14473.00	11100.46	-339.18	3561.35	0.00
41	100	90	95.44033	14573.00	11100.46	-348.66	3660.90	0.00
42	100	90	95.44033	14673.00	11100.46	-358.14	3760.45	0.00
43	100	90	95.44033	14773.00	11100.46	-367.62	3860.00	0.00
44	100	90	95.44033	14873.00	11100.46	-377.10	3959.55	0.00
45	100	90	95.44033	14973.00	11100.46	-386.58	4059.10	0.00
46	100	90	95.44033	15073.00	11100.46	-396.06	4158.65	0.00
47	100	90	95.44033	15173.00	11100.46	-405.54	4258.20	0.00
48	100	90	95.44033	15273.00	11100.46	-415.02	4357.75	0.00
49	100	90	95.44033	15373.00	11100.46	-424.50	4457.30	0.00
50	100	90	95.44033	15473.00	11100.46	-433.99	4556.85	0.00
51	63	90	95.44033	15536.00	11100.46	-439.96	4619.56	0.00
52								

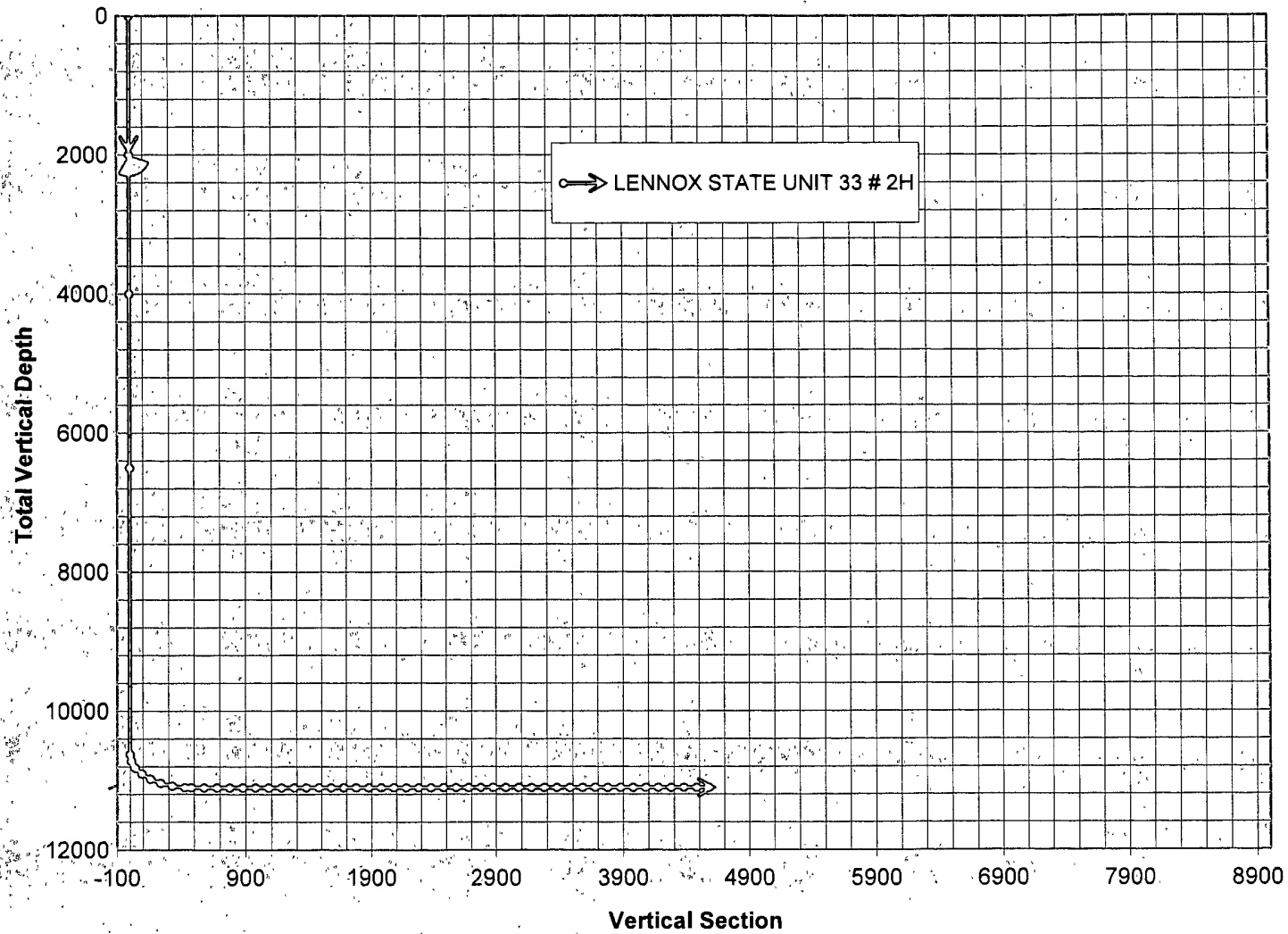
LENNOX 33 STATE UNIT # 2H 3rd Bones Springs Horizontal

Sec 33, T-22-S, R-35-E, Lea County, New Mexico

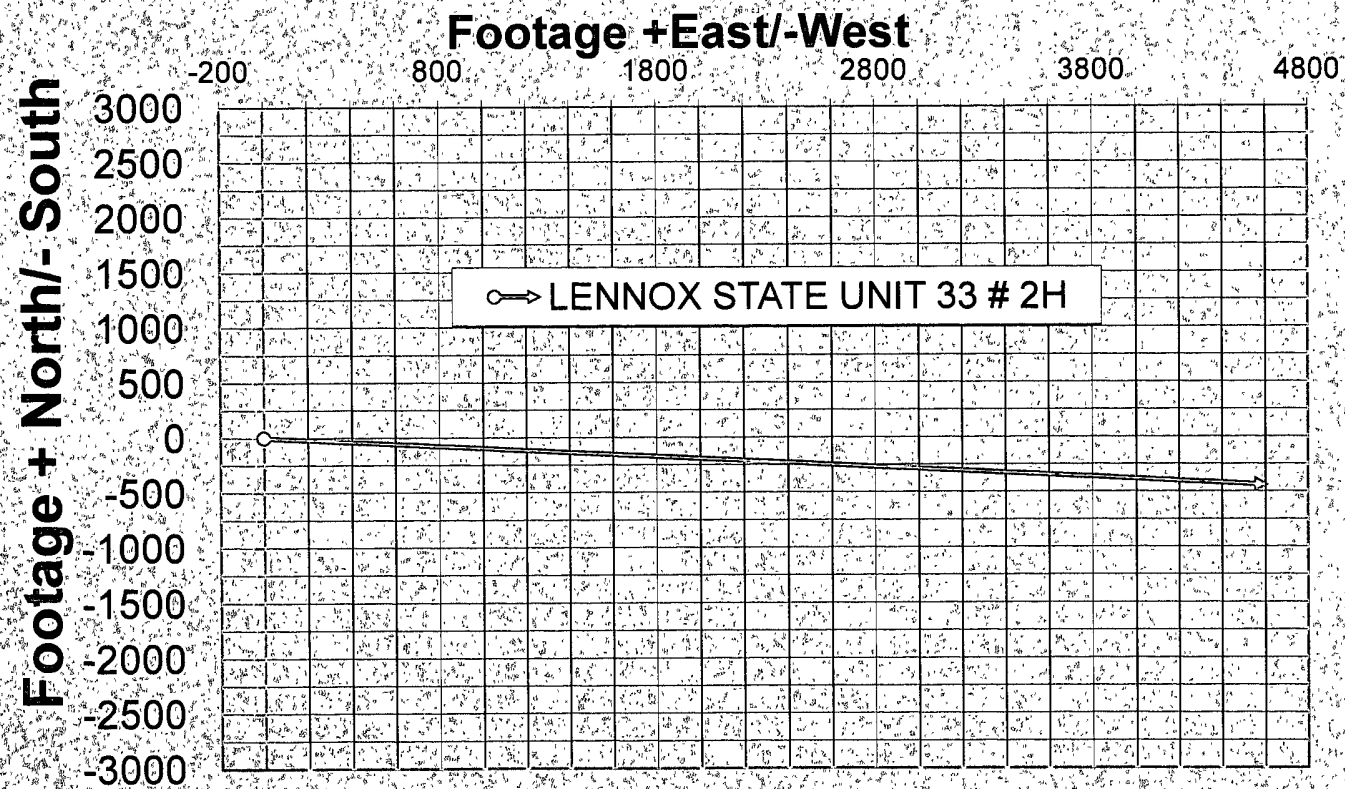


Well Name	Surface Location	Depth and Strata	Target TD	Bottom Hole Location	
LENNOX 33 # 1H	660 FNL & 330 FWL	TD = 11,100 3rd Bone Sprgs Hr	11,500 WOLFCAMP	660 FNL & 330 FEL	± 11,100 T'
LENNOX 32 # 2H	1860 FNL & 330 FWL	TD = 11,100 3rd Bone Springs Hr	13,500 Wlfcmp	2300 FNL & 330 FEL	± 11,100 T'

LENNOX 32 # 2H

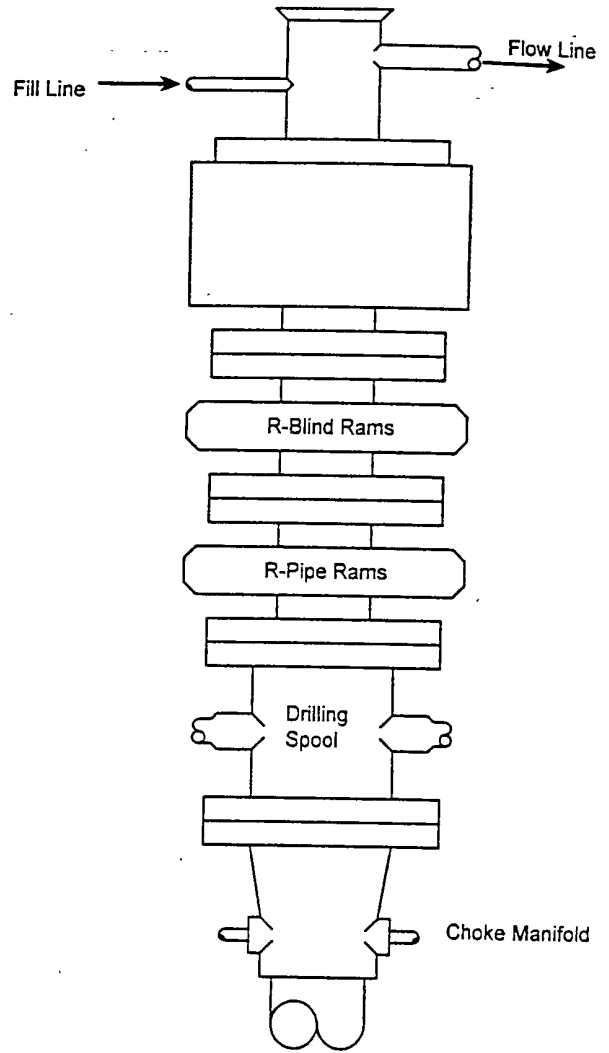


Horizontal Plane



BLOWOUT PREVENTER SYSTEM

5000 PSI



Type 1500 SERIES
5000 psi WP

Choke Manifold Assembly for 5M WP System

