

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88201  
District III  
1000 Rio Brazos Rd., 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-103  
June 19, 2008

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

SEP 17 2012

WELL API NO. <u>30 025 39241</u>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <u>Lucky Penny 10 State</u>
8. Well Number <u>1H</u>
9. OGRID Number <u>249099</u>
10. Pool name or Wildcat <u>Caprock Upper Penn, East</u>

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSED DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator <u>Caza Operating, LLC</u>	
3. Address of Operator <u>200 N. Loraine, Suite 1550, Midland, Texas 79701</u>	
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line Section <u>10</u> Township <u>12-S</u> Range <u>32-E</u> NMPM County LEA	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>4384 ft GR</u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Test Production Csg Perf Toe, ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Set CIBP @ 8050 ft. Cap with 25 sks "120 ft" of cement. TOC ± 7930 ft.

Test 7" casing to 2500 psi for 15 minutes. Circulate Mud Laden fluid from 7900 ft to surface. (12.5 lb/bbl salt gel in 10 ppg brine water)

Spot 35 sks "170 ft" cement 7200 ft - 7030 ft.

Perforate 7" Csg @ 5065'. Squeeze with 50 sks cement. In/Out 7" 136 ft. WOC & TAG

Perforate 7" Csg @ <sup>2300</sup> ~~5000~~ ft. Squeeze with 50 sks Cement. In/Out 7" 135 ft. (B. SALT) WOC & TAG

Perforate 7" Csg @ <sup>1400</sup> ~~400~~ ft. Squeeze with 50 sks Cement. In/Out 7" 135 ft. Tag Cement Plug (T. SALT) TAG @ 1380'  
Int. shoe or better

Perforate 7" Csg @ 350 ft. Circulate 130 sks cement to fill both annulus & 7" casing to surface.

Cut off well head 3 ft below Ground level. Install Dry hole marker. Fill in Cellar. Cut anchors. P/U Caliche. Remove Equip

Spud Date:

5/18/09

Rig Release Date:

7/25/2009

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Richard L. Wright

TITLE Operations Manager

DATE 9-12-2012

Type or print name Richard L. Wright

E-mail address: rwright@cazapetro.com PHONE: 432 682 7424

For State Use Only

APPROVED BY:

Mark Whitaker

TITLE Compliance Officer

DATE 09-18-2012

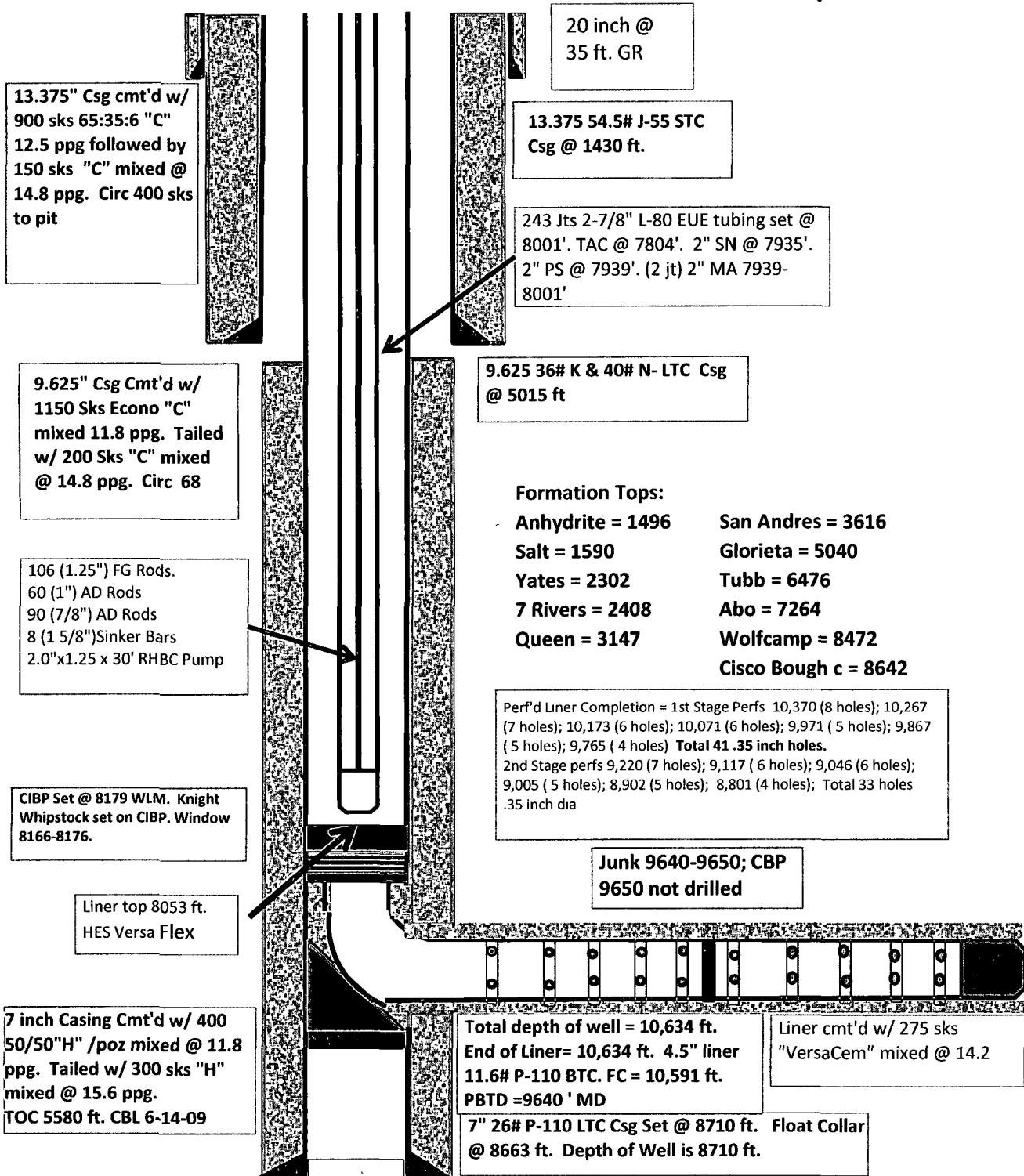
Conditions of Approval (if any):

Oil Conservation Division - Hobbs office: **Must be Notified**  
**24 hours prior** to the beginning of Plugging Operations begin.

SEP 18 2012

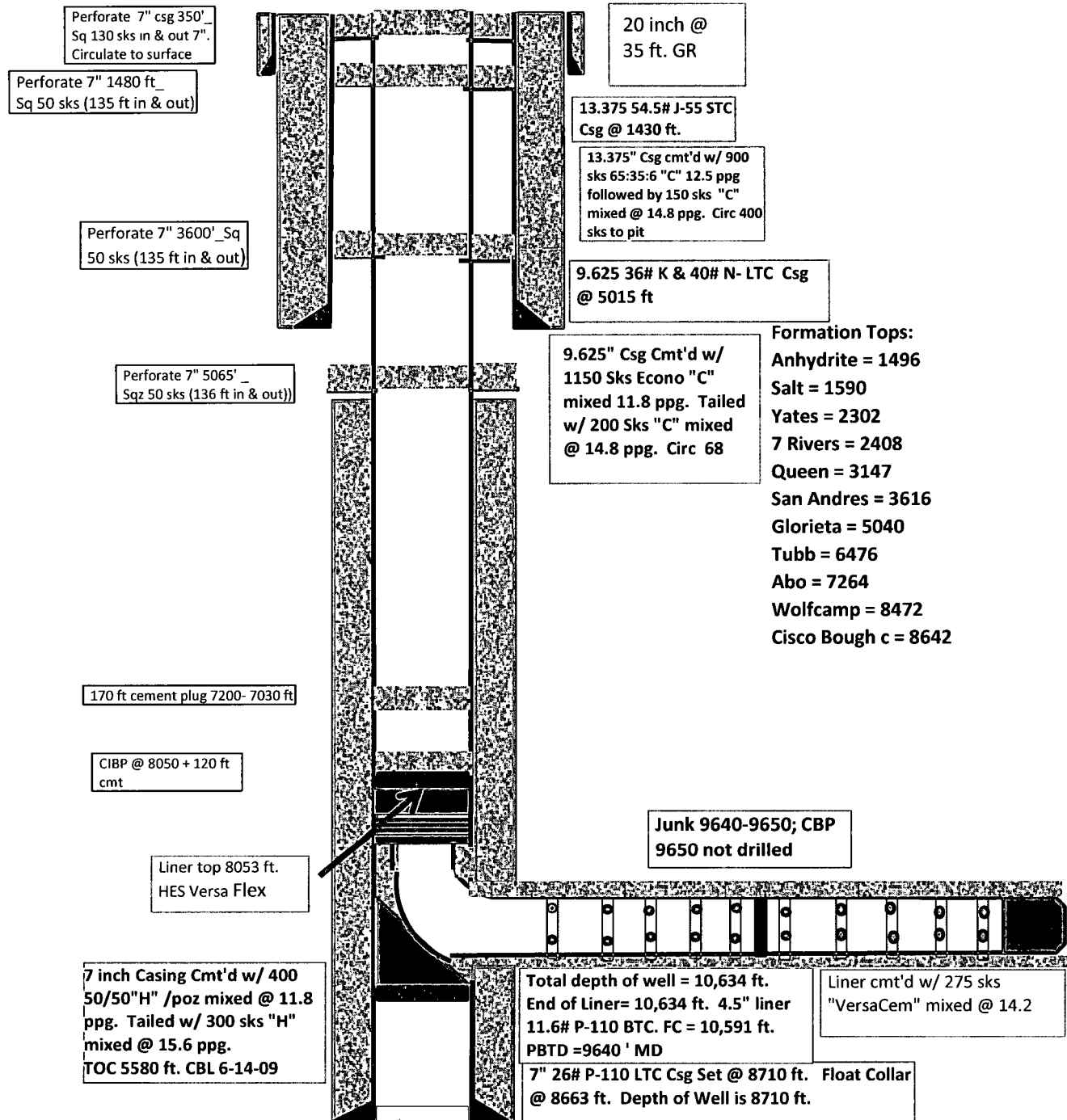
**Lucky Penny 10 State # 1H**  
 Surf 660 FSL & 990 FEL, SEC 10, T12S, R32E  
 Terminus 2366 FNL & 781 FEL, SEC 10, T12S, R32E  
 Lea County, New Mexico

*Before Plugging*



**Lucky Penny 10 State # 1H**  
**Surf 660 FSL & 990 FEL, SEC 10, T12S, R32E**  
**Lea County, New Mexico**  
**After Plugging Schematic**

*After Plugging*



SEP 17 2012

RECEIVED

**Caza Operating, LLC**

**Lucky Penny 10 St # 1H**

**Property Code 37457**

**API 30 025 39241**

**Caprock Wolfcamp, East (9310)**

**Surface Location 660 FSL & 990 FEL, Sec 10, T-12-S, R-32-E**

**Bottom Hole Location 2399 FNL & 789 FEL, Sec 10, T-12-S, R-32-E**

**Effective lateral 1678 ft.**

**Vertical Section 2229 ft.**

**Lea County, New Mexico**

**P&A Procedure**

**DIRECTIONS TO WELL.**

DIRECTIONS TO LOCATION: FROM TATUM NEW MEXICO GO WEST ON HIGHWAY 380 TOWARD ROSWELL TO GROSE ROAD AT CAPROCK STORE(ABOUT 22 MILES). (NM COUNTY ROAD 159 IS GROSE ROAD). GO SOUTH (LEFT) ON GROSE ROAD FOR 6.7 MILES. VEER LEFT OFF GROSE ROAD TO IMPROVED LOCATION ROAD. GO .25 MILES THEN TURN LEFT OR EAST ON LOCATION ROAD. GO .3 MILES EAST. TURN SOUTH OR RIGHT ON LOCATION ROAD AND TRAVEL .4 MILES TO LOCATION.

**ENGINEERING INFO:**

**Formation Tops:**

Anhydrite= 1496 ft

Salt = 1590 ft

Yates= 2302 ft

7 Rivers = 2408 ft.

Queen = 3147 ft.

San Andres = 3616'

Glorieta= 5040 ft.

Tubb = 6476 ft.

Abo = 7264 ft

Wolfcamp = 8472 ft

Cisco Bough C = 8642 ft.

**GL ELEV : 4384 ft.**  
**RKB DRILLING RIG: 17.5 FT**

**CASING:**

13-3/8" 54.5# J-55 STC- Top of cement Surface

9-5/8" 36#K & 40# N –LTC- Top of cement Surface.

7" 26# P-110 LTC BURST 9960 PSI COLLAPSE 6210 PSI CAPACITY 0.03826 BPF.  
TOP of Cement CBL 7/31/2009 showed 5560 ft.

**LINER:** 4.5 11.6# P-110 LTC BURST 10690 PSI COLLAPSE 7560 PSI CAPACITY 0.01554 BPF

**Versa Flex Liner Top @ 8052 ft.**

**Window Top @ 8166 ft.**

**PBTD:** Float Collar @ 10589 ft.

**Float Shoe @ 10,630ft.**

**WELL HEAD:**

TUBING SPOOL 11 INCH 5M X 7 1/16 INCH 10 M.

**Plug & Abandonment Procedure**

Cement required = "H" 16.4 ppg 1.06 yield

1. MIRU Plugging equipment.
2. POH w/ Rods & Pump. N/U BOPE. Release Anchor. POH w/ tubing. L/D MA.
3. Set Wireline CIBP @ 8050'. RIH w/ tubing open ended. Cap cement plug @ 8050 w/ 25 sks Cmt "120'. TOC ± 7930'.
4. Test 7" Casing 2500 psi. Circulate 7" casing @ 7900 ft w/ mud laden fluid. "12.5 lb per bbl salt gel in 10 ppg brine".
5. Spot 35 sks Cmt "170 ft" @ 7200 ft – 7030 ft.
6. POH. R/U Wireline. Perforate 7" Casing @ 5065 ft. Squeeze 50 sks cement through perms. ± 136 ft balanced plug
7. POH. R/U Wireline. Perforate 7" Casing @ 3600 ft. Squeeze 50 sks cement through perms. ± 135 ft balanced plug
8. POH. R/U Wireline. Perforate 7" Casing @ 1480 ft. Squeeze 50 sks cement through perms. ± 135 ft balanced plug. Tag Cement Plug.

9. POH. R/U Wireline. Perforate 7" Casing @ 350 ft. Circulate cement through perfs in and out of 7" to surface. Use approximately 130 sks.
10. Cut off Well head below 3 ft. Install dry hole marker. Fill in Cellar. Cut anchors below plow line. Dispose of all recovered fluids.
11. Sell all salvage including battery, pumping unit, Well head & tubulars on site.
12. Recovery Caliche and send to caliche pit.