

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

HOBBAS ENERGY
 AUG 02 2013
 RECEIVED

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|--|--|
| WELL API NO. | 30 025 41096 |
| 5. Indicate Type of Lease | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | VO 8263 |
| 7. Lease Name or Unit Agreement Name | Gateway 2 State |
| 8. Well Number | # 2 |
| 9. OGRID Number | 249099 |
| 10. Pool name or Wildcat | Wolfcamp - Wildcat |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | 3849 GR |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO 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 Gas Well Other

2. Name of Operator
 Caza Operating, LLC

3. Address of Operator
 200 N. Loraine, Suite 1550, Midland, Tx 79701

4. Well Location
 Unit Letter D : 525 feet from the North line and 660 feet from the West line
 Section 2 Township 19 S Range 35 E NMPM County Lea

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

| | | | |
|--|---|---|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input checked="" type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-23-2013_TD 17-1/2" surface hole @ 1808' 11:00 hrs MDT 7-23-2013.

7-24-2013_Ran 41 joints 13-3/8" 54.5 lb/ft J-55 STC casing to 1808'. Cemented Casing w/ 1212 sacks "C" Lite 13.5 ppg w/ 4% gel & 1% CaCl2. Tailed w/ 250 sks "C" 14.8 ppg w/ 1% CaCl2. Plug down @ 09:00 hrs MDT 7-24-2013. Total WOC 23-1/4 hrs. Tested Casing to 1000 psi for 30 minutes. BOPE tested 3000 psi high & 250 psi low. Head test to 600 psi.

Spud Date: Rig Release Date:

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 7-25-2013

Type or print name Richard L. Wright E-mail address: rwright@cazapetro.com PHONE: 432 682 7424

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE AUG 29 2013

Conditions of Approval (if any):

AUG 29 2013