

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NM-92199

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
Caza Operating, LLC

3a. Address  
200 N Loraine, Suite 1550  
Midland Texas 79701

3b. Phone No. (include area code)  
432-682-7424

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL: 330°FNL:1980°FWL SECTION 29-T23S-R34E Unit C

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. State Com  
West Copperline 29#1H

9. API Well No.  
30-025-41313

10. Field and Pool or Exploratory Area  
Antelope Ridge - Bone Spring

11. County or Parish, State  
Lea County, N<

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Operator requests authority to utilize drying pad on West Copperline 29#1H existing drillsite. Cuttings cleaner will clean cuttings generated from subject well below 1,000 mg/kg total chlorides and will be placed on 20 mil plastic liner (onsite drying pad) for offsite disposal to Pitchfork Landfarm, LLC; Permit #NM-01-0039. See attached diagram and permit copy.

HOBBS OCD

SEP 11 2013

RECEIVED

SUBJECT TO LIKE  
APPROVAL BY STATE

Conditions of Approval:

- No additional surface disturbance
- Upon conclusion of drilling operations the site will be restored to previous condition

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Steven A. Dowdy

Title Consulting Engineer for Caza Operating, LLC

Signature *Steven A. Dowdy*

Date 09/03/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *James R. Amos*

Title *SEAS*

Date *9-6-13*

Office *CFO*

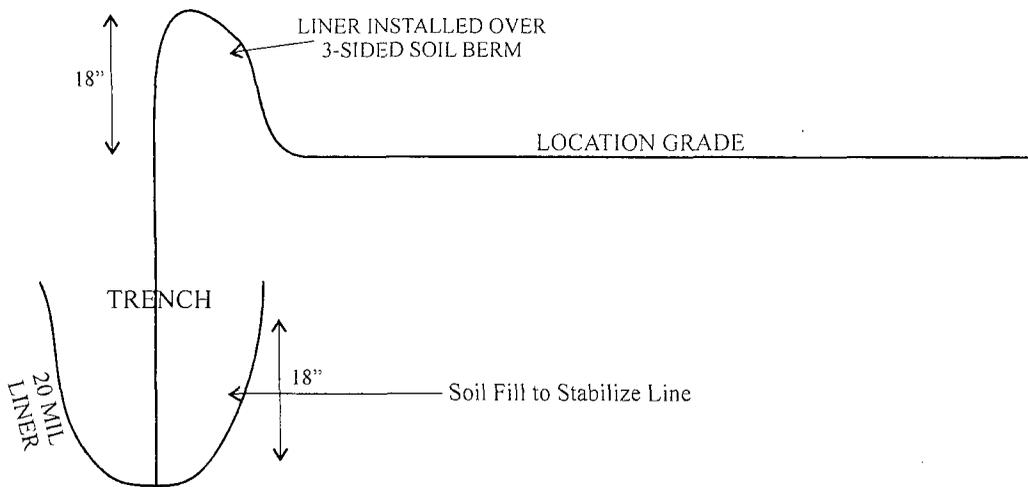
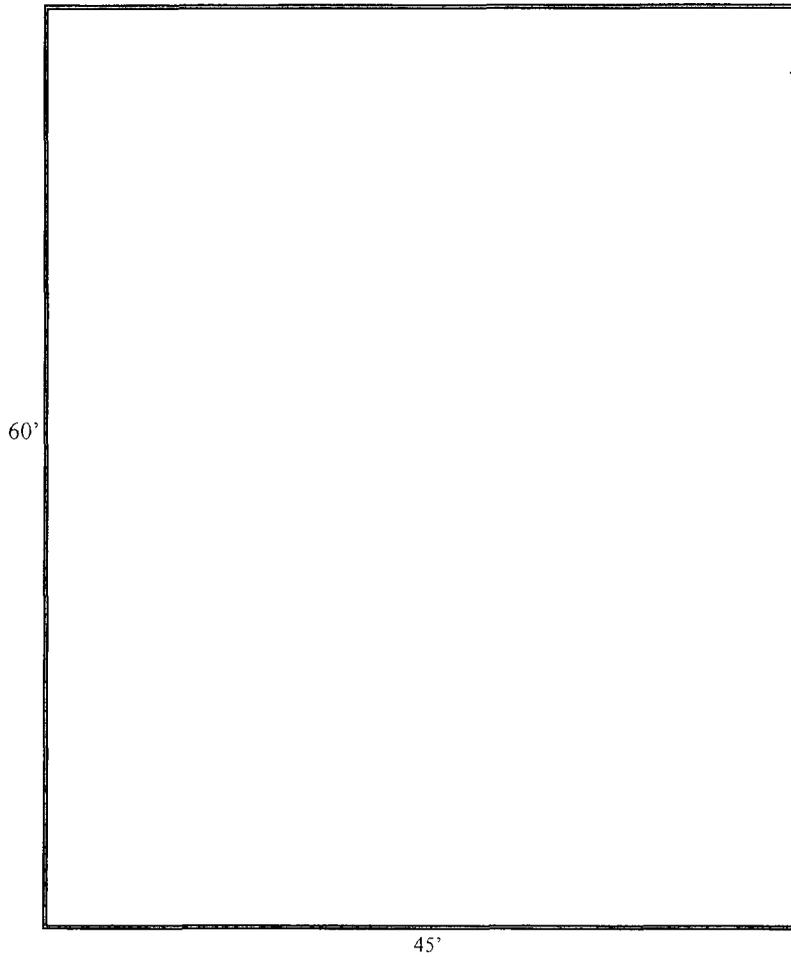
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. *MW/OCD 9-12-13*

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEP 12 2013

# DRYING PAD

45'W x 60'L = 481 BBLs / 100 cu. yds/ft.



PREPARED BY:  
TRMAN, INC.  
OKLAHOMA CITY,  
OKLAHOMA  
DRAWING NOT TO SCALE

8/30/2013

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
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-138  
Revised August 1, 2011

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

\*Surface Waste Management Facility Operator  
and Generator shall maintain and make this  
documentation available for Division inspection.

### REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

<b>1. Generator Name and Address:</b> Caza Operating, LLC, 200 N. Loraine, Suite 1550, Midland, TX 79701
<b>2. Originating Site:</b> West Copperline 29#1H - 330'FNL;1980'FWL, Section 29-23S-34E, Lea County, NM
<b>3. Location of Material (Street Address, City, State or ULSTR):</b> NW/4 of Section 29-23S-34E, Lea County, NM
<b>4. Source and Description of Waste:</b> Cleaned and stabilized drill cuttings, <1,000 ppm total chlorides, generated from subject West Copperline 29#1H well. Analytical test results to accompany recap.
Estimated Volume: 1,400 yd <sup>3</sup> / bbls    Known Volume (to be entered by the operator at the end of the haul) _____ yd <sup>3</sup> / bbls
<b>5. GENERATOR CERTIFICATION STATEMENT OF WASTE STATUS</b> I, Steven A. Dowdy, representative or authorized agent for Caza Operating, LLC do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: (Check the appropriate classification) <input checked="" type="checkbox"/> RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste. <del>Operator Use Only Waste Acceptance Frequency</del> <input type="checkbox"/> Monthly <input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Per Load <input type="checkbox"/> RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24, or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items) <input type="checkbox"/> MSDS Information <input type="checkbox"/> RCRA Hazardous Waste Analysis <input type="checkbox"/> Process Knowledge <input type="checkbox"/> Other (Provide description in Box 4)
<b>GENERATOR 19.15.36.15 WASTE TESTING CERTIFICATION STATEMENT FOR LANDFARMS</b> I, Steven A. Dowdy, representative for Caza Operating, LLC do hereby certify that representative samples of the oil field waste have been subjected to the paint filter test and tested for chloride content and that the samples have been found to conform to the specific requirements applicable to landfarms pursuant to Section 15 of 19.15.36 NMAC. The results of the representative samples are attached to demonstrate the above-described waste conform to the requirements of Section 15 of 19.15.36 NMAC.
<b>5. Transporter:</b> Quatro Trucking

#### OCD Permitted Surface Waste Management Facility

Name and Facility Permit #: Pitchfork Landfarm, LLC NM-01-0039

Address of Facility: 524 Antelope Ridge, Jal, NM 88252

Method of Treatment and/or Disposal:

Evaporation     Injection     Treating Plant     Landfarm     Landfill     Other

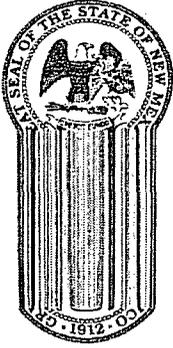
#### Waste Acceptance Status:

APPROVED     DENIED (Must Be Maintained As Permanent Record)

PRINT NAME: Bert Madera    TITLE: Principal    DATE: 8/28/13

SIGNATURE: Bert Madera    TELEPHONE NO.: (575) 390-2861

Surface Waste Management Facility Authorized Agent



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
Joanna Prukop  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

March 26, 2003

Mr. Bert Madera  
Pitchfork Landfarm, L.L.C.  
524 Antelope Ridge  
Jal, NM 88252

**RE: OCD Rule 711 Permit Approval NM-01-0039  
Pitchfork Landfarm, L.L.C.  
NE/2 NE/4 of Section 5, Township 24 South, Range 34 East, NMPM,  
Lea County, New Mexico**

Dear Mr. Madera:

The permit application for the Pitchfork Landfarm, L.L.C. commercial surface waste management facility located in the NE/2 NE/4 of Section 5, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. **This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$25,000.** According to the schedule outlined in the financial assurance section of the enclosed attachment, **\$25,000** is required within thirty (30) days of the date of this permit approval letter. The application consists of the permit application Form C-137 dated October 30, 2002 and public notice dated December 6, 2002.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved landfarming methods must receive prior OCD approval. Pitchfork Landfarm, L.L.C. is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised that approval of this permit does not relieve Pitchfork Landfarm, L.L.C. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Pitchfork Landfarm, L.L.C. of its responsibility to comply with any other governmental authority's rules and regulations.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

**Energy, Minerals and Natural Resources Department  
Oil Conservation Division**

**Cash Bond For Waste Management Facilities**

(File with Oil Conservation Division, 1220 South Saint Francis, Santa Fe, New Mexico 87505)

KNOW ALL MEN BY THESE PRESENTS:

That Pitchfork Landfarm LLC (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Jal, State of and authorized to do business in the State of New Mexico), as PRINCIPAL is firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (DIVISION) in the sum of Twenty Five Thousand (\$ 25,000.00) Dollars.

The conditions of this obligation are such that:

The PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil or other oil field related waste in NE/4 of Section 5, Township 24S, Range 34E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 25,000 bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the DIVISION and the Oil Conservation Commission, and upon clean-up of the facility site to standards of the DIVISION; otherwise the bond is to be forfeited to the Division.

The PRINCIPAL has deposited funds on behalf of the DIVISION in the amount of \$ 25,000.00 (Twenty Five Thousand dollars) in the manner indicated on page 2 of this instrument, **Assignment of Cash Collateral Deposit**, to secure this bond. The PRINCIPAL pledges the funds as a guarantee that it, its executors, assigns, heirs and administrators will abide by the Statutes of the State of New Mexico and the rules and orders of the DIVISION in operating the waste management facility described herein, and that it will properly reclaim the facility site upon cessation of operations. If the PRINCIPAL does not properly reclaim and restore the facility site, and otherwise abide by the rules and orders of the DIVISION, this bond shall be forfeited in full and such funds as necessary applied to the cost of reclaiming the facility site. If the amount of the bond is less than the actual cost incurred by the DIVISION in reclaiming the facility site, the DIVISION may institute legal action against the PRINCIPAL to recover any amounts expended over and above the amount of the bond.

NOW THEREFORE, if the above PRINCIPAL or its successors, assigns, heirs, administrators or any of them shall properly reclaim and restore the above-described facility site upon cessation of operations and otherwise abide by the rules and orders of the Division, then therefore, this obligation shall be null and void and the principal sum hereof shall be paid to the PRINCIPAL, or its successors, heirs, or administrator; otherwise it shall remain in full force and effect.

**Assignment of Cash Collateral Deposit For Bond for Waste Management Facility**

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, Pitchfork Landfarm LLC, (hereinafter "Principal"), of 524 Antelop Bridge, Jal New Mexico 88252 (address) has deposited with the Wells Fargo Bank, N.A. (name of the financial institution, which must be a federally insured bank or savings institution within the state of New Mexico) of 1910 N Turner St. Hobbs New Mexico 88240 (address) (hereinafter "Financial Institution"), the sum of Twenty Five (\$ 25,000.00) dollars in Certificate of Deposit or savings account No. 2543615690. The Principal hereby assigns and conveys all right, title and interest in the deposited funds to the Financial Institution in trust for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (hereinafter "Division") or successor agency of the State of New Mexico. The Principal and the Financial Institution agree that as to the deposited funds:

- a. The funds deposited pursuant to the terms of this Assignment are to serve as a cash bond covering a waste management facility operated by the Principal.
- b. The Division acquires by this Assignment the entire beneficial interest in the funds with the right to order the Financial Institution, in writing, to distribute the fund to persons determined by the Division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the Principal upon sale of the facility covered by this Assignment provided all applicable Division orders and rules have been complied with regarding the waste management facility.
- c. The Principal retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division in the event the Principal properly reclaims the facility site and otherwise abides by the rules and order of the Division and the Oil Conservation Commission.
- d. The Financial Institution agrees that the funds may not be assigned, transferred pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The Financial Institution waives all statutory or common law liens or rights of set-off against the funds.

The Principal agrees that the Financial Institution may deduct from interest due the Principal any attorney fees incurred by the Financial Institution if claim or demand via writ, summons or other process arising from Principal's business is made upon the Financial Institution.

Signed this 1st day of April, 2 004.

Bert Medina  
Signature of PRINCIPAL, personally or by authorized officer

Lilah Koenig  
Signature of authorized officer of Financial Institution

President  
Title  
(Note: If PRINCIPAL is corporation, affix corporate seal here.)

Assistant Vice President  
Title

524 Antelop Bridge

1910 N Turner St

Jal. New Mexico 88252

Hobbs NM 88240

Mailing Address

Mailing Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF \_\_\_\_\_ )  
 )SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, by

My commission expires:

\_\_\_\_\_ Date

\_\_\_\_\_ Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION, INCORPORATED ASSOCIATION OR PARTNERSHIP

STATE OF New Mexico )  
 )SS.  
COUNTY OF Lea )

The foregoing instrument was acknowledged before me this 1st day of April, 2004, by

BERT MADERA as (title) PRESIDENT

of PITCHFORK LANDFARM LLC, a corporation, incorporated association, or partnership.

My commission expires:

03-24-2008

\_\_\_\_\_ Date

Notary Public | *Dana Willic*

ACKNOWLEDGMENT FORM FOR FINANCIAL INSTITUTION

STATE OF New Mexico )  
 )SS.  
COUNTY OF Lea )

The foregoing instrument was acknowledged before me this 1st day of April, 2004, by

Lilah Koenig as (title) Assistant Vice President on behalf of

Wells Fargo Bank, N.A., financial institution.

My commission expires:

03-24-2008

\_\_\_\_\_ Date

Notary Public | *Dana Willic*

