

Submit 1 Copy To Appropriate District Office

State of New Mexico

Form C-103

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

Energy, Minerals and Natural Resources

Revised July 16, 2013

HOBBS OGD
MAY 19 2014
RECEIVED

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

WELL API NO. 30-025-41361 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-2294
7. Lease Name or Unit Agreement Name Gramma 27 State ✓
8. Well Number 1 H ✓
9. OGRID Number 249099 ✓
10. Pool name or Wildcat Grama Ridge; Bone Spring NE 28435
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3682 ft 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 North Loraine, Suite 1550, Midland, Texas 79701

4. Well Location
Unit Letter O : 330 feet from the South line and 1980 feet from the East line
Section 27 Township 21 S Range 34 E NMPM County

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS:
- CASING/CEMENT JOB
- OTHER:

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.

- 4-21-2014_ Finish Drilling curve w/ 8-3/4" bit. TD curve @ 11,456' 12:30 hrs CDT 4/21/2014. Had chronic lost returns below 11,262'
- 4-22-2014_ L/D DP & BHA.
- 4-23-2014_ R/U & Run 7" 29 lb P-110 LTC casing to 11,456'. Cmt'd Casing w/ 490 sks "H" poz 12.6 ppg. Tailed w/ 515 sks "H" 15.6 ppg. Final pressure 1700 psi lift. Plug bumped w/ 2100 psi.
- 4-24-2014_ Test BOPE. 5000 psi high & 250 psi Low. Annular 2500 psi. P/U DP. Drill out shoe track. Start 6-1/8" lateral.

Spud Date: 3/20/2014

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 5/13/2014

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

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 05/20/14

Conditions of Approval (if any):

MAY 22 2014